

## FINANCIAL CAPABILITY AND FINANCIAL PERFORMANCE OF ENTERPRISES IN ONDO STATE.

**Ilori, David Babafemi**

Department of Entrepreneurship, School of Logistic and Innovation Technology,  
The Federal University of Technology, Akure, Nigeria.

**Email:** [dbilori@futa.edu.ng](mailto:dbilori@futa.edu.ng)

### ABSTRACT

*Recent researches increasingly highlight that financial capability, or its absence, contributes significantly to financial vulnerability and exclusion among small and medium enterprises (SMEs), with notable effects on enterprise performance. Unlike previous studies that mainly emphasised financial literacy, this research adopted a broader perspective by examining how financial capability, a composite of financial attitude, behaviour, literacy, and skills influence entrepreneurial performance. The study employed a survey research design, targeting 600 registered SMEs in manufacturing and services, with 240 randomly selected respondents. Data from structured questionnaires were analysed using descriptive and inferential statistics. Results from descriptive analysis revealed a low financial capability among SMEs. Inferential analysis revealed a statistically significant positive relationship between financial capability and firms' profitability ( $p = 0.000 < 0.05$ ). Furthermore, financial behaviour and skills were found to have a positive influence on profitability. The study adds to existing literature by highlighting the pivotal role of financial behaviour and skills in enhancing SMEs' financial performance. In conclusion, the study highlighted the cruciality of financial capability for SMEs to manage finances, boost financial inclusion, and improve overall performance. It recommended that government agencies like SMEDAN should incorporate financial capability programs, frameworks, and policies to strengthen SMEs' usage of financial resources and development.*

**Keywords:** Financial capability, composite of financial capability, financial performance, and SMEs.

### 1.0 Introduction

Growing financial vulnerability and financial exclusion among small and medium enterprises (SMEs) is manifested by lack of understanding and ineffective usage of financial services, as well as inability to make sound financing decisions resulting in their lack of credit worthiness. This is evidenced by the low level of financial capability required to make thorough financial assessments and decisions (Husniyati, 2017; Kamini, Shikha & Miklesh 2019). To this effect, policy makers, practitioners and financial institutions are responding with growing interest in increasing interventions and policies aimed at improving enterprises' financial capability towards boosting the performance of SMEs with manifest advantage in increased profitability and sustained growth (World Bank Group, 2018; Anshika & Singla, 2022; Fikri & Nahda, 2023).

SMEs are the mainstay of every economy as they play a fundamental role in job creation and innovation. The success of their enterprise is closely linked to their ability to manage finances. According to Struckell et al. (2022), a financially capable entrepreneur can improve business performance by creating a suitable budget, and effectively allocating resources

based on market conditions. Whereas, SMEs that lack financial capability often face challenges in effectively managing acquired credit and making sound financial decisions (Husniyati, 2017). This ugly development, no doubt, has the tendency to hinder access to sustaining advancement, finance and performance of SMEs (Ye & Kulathunga, 2019; Agyapong & Attram, 2019; Buchdadi, Sholeha, Ahmad, & Mukson, 2020).

Financial capability concept originated from financial literacy; however, it is more than financial literacy. Financial capability embraces the combination of attitudes, knowledge (literacy), behaviours

and skills that enterprises need to effectively understand, select, and utilise financial services, along with the capacity to access services that align with their needs. (World Bank, 2013d; EVERFI, 2018). In order words, financial capability goes beyond financial literacy.

Most existing empirical studies on financial capability have concentrated on individuals, households, and microenterprises, leaving SMEs relatively underexplored. (Kempson et al. 2013, Perotti et al. 2013). However, SMEs owners need unique financial capabilities tailored to managing and sustainably growing their businesses. Though, the relationship between financial capability and entrepreneurial performance has drawn public policy interest due to its relevance to entrepreneurial performance, existing studies have mostly focused on financial literacy's impact on entrepreneurial performance, rather than on broader financial capability (Oggero et al., 2020; Burchi et al., 2021).

Going by the above, bridging these gaps at the SMEs level and examining the nexus between financial capability and performance is essential to strengthening SMEs' effective usage of financial resources and stimulating performance.

Hence, the need for this study. It seeks to investigate the effect of financial capability practices on the profitability of SMEs. The paper will equally attempt to address the ensuing research questions. (1) What is the level of financial capability of SMEs in the study area? and (2) What is the relationship between financial capability and financial performance (profitability) of SMEs in the study area? The study intends to contribute to knowledge on financial capability at the SMEs level which hitherto is a rarity in the literature.

## **2.0 Review of Literature:**

### **2.1 Conceptual Literature**

#### **Financial Capability**

Financial capability extends beyond financial knowledge or literacy. It encompasses, not only the understanding of financial concepts but as well as how individuals make decisions and manage their resources (FINRA Investor Education Foundation, 2009). According to The Center for Financial Inclusion (CFI) in the USA, financial capability is the combination of skills, attitude, knowledge, and behaviours required by an individual to make informed financial choices that promote well-being (Arnold & Rhyne, 2016).

#### **Measures of Financial Capability**

Financial capabilities of SMEs is predicated on several supporting factors which include the following: financial skills, behavior, attitude and financial literacy.

### **Financial Literacy**

Financial literacy has been defined as the knowledge and understanding of basic financial rudiments (Lusardi & Mitchell, 2008, 2011). The knowledge and comprehension of various financial issues is known as financial literacy. It is the understanding of important financial matters required to make financial decisions (Fatoki, 2014; Huston, 2017).

### **Financial Attitude**

According to Rajna et al., (2011) financial attitude refers to using financial principles to improve decision-making related to finance. It is the capability to plan for the future and manage a savings account. Financial attitude is defined as a mindset, perspective, and financial decision-making approach (Pankow, 2012). It involves using financial principles to generate and sustain value through informed decision-making and effective resource management (Latif, Razak & Lumpur, 2011).

### **Financial Behaviour**

Zahroh (2014) describes behaviour as the way an individual conducts themselves. According to Nofsinger (2005), financial behaviour refers to how people actually act in financial contexts, influencing their financial decisions. It involves the capacity to make prudent choices about managing cash flow, ensuring financial security, and identifying opportunities for budgeting and planning. (Zeynap, 2015). Sucuahi (2013) emphasizes that sound financial behavior entails making wise financial decisions that foster wealth accumulation while minimizing risks and uncertainties for individuals and businesses alike.

### **Financial Skills**

According to CFPB (2018), having knowledge alone is insufficient; it must be applied through action. Financial skill involves the ability to locate, evaluate, and effectively utilize financial information. Atkinson (2007) opines that financial capability not only includes a knowledge component but also an action component, which involves the skills needed to apply financial knowledge effectively. Financial skills encompass the ability to analyze information and use it to make and implement financial decisions. Essential to developing these skills are competencies in numeracy, digital literacy, problem-solving, and effective communication (CFPB, 2018).

## **2.2 Theoretical Background**

### **Financial Capability Theory**

The capability concept was propounded by Sen (1993). He emphasised that individuals may lack financial resources, the knowledge to use them effectively, or access to suitable financial services, as well motivation to act. Sen (1993) highlighted that a lack of financial literacy poses a significant barrier to capability development and the effective utilisation of financial services. The capability approach focuses on individual functioning and capabilities. Functioning refers to what individuals actively do, such as making wise financial decisions, and who they are, such as being financially literate.

Capabilities therefore are concerned with the set of choices a person makes to achieve a set goal that have the propensity to enhance the individuals' financial capability. This study therefore advocates financial capability for SMEs for the purpose of boosting their capacity to take informed decisions to safeguard enterprises from present and future financial dilemma and improve their financial decision making.

### **The Theory of Planned Behaviour (TPB)**

Proposed by Ajzen in 1985, the theory of planned behavior builds on the theory of reasoned action (Pulka, Aminu, & Rikwentishe, 2015). It suggests that a person's intention to perform a behavior is shaped by their attitude toward it, the social norms influencing it, and their perceived control over carrying it out. The theory is based on three main components: subjective norms, attitudes toward the behavior, and perceived behavioral control (Ahmetoglu et al., 2017; Ajzen, 1991).

Pulka, Aminu, and Rikwentishe (2015) assert that most behaviours are driven by an individual's intention to engage in entrepreneurial activities, along with their strength to evaluate options, assess alternatives and make sound decisions. The justification for adoption of this theory is that it provides explanation for human attitude towards behaviour. The framework was embraced since it is the most suitable theoretical foundation of financial capability given that it influences the development of process of financial knowledge and intention which ultimately influences financial behaviour. In addition, given that entrepreneurship is in fact a planned behaviour, this theory is quite appropriate because innovative entrepreneurial ventures and financing cannot be established without sufficient planning.

### **2.3 Empirical Review**

The concept of financial capability has its roots in financial literacy. *Consequently, most existing empirical studies on financial capability till date is rooted in financial literacy.* Studies have highlighted the critical role of financial literacy in driving the profitability and growth of SMEs, showing that a lack of financial literacy among individuals globally has been a factor in business failures (Niwaha, Schmidt & Tumuramye, 2016). Yakob, Yakob, Hafizuddin-Syah, and Rusli (2021) investigated the impact of financial literacy on the performance of SMEs in Malaysia. Their findings, based on multiple regression analysis, demonstrated that financial literacy has a positive and significant effect on SME performance.

Wati, Sumiati, and Andarwati (2021) examined the effect of financial knowledge on firm performance, considering the moderating roles of financial behaviour and financial risk attitude. Their results showed that financial knowledge positively and significantly influences firm performance, with financial behaviour mediating the relationship. They also found that financial risk attitude weakens the link between financial knowledge and financial behaviour. In a related study, Geoffrey, Otieno, and Adam (2016) explored the effect of financial literacy on the financial performance of SMEs in Ruiru Sub-County, Kiambu County. The study concluded that higher financial literacy among SME owners correlates with better financial performance. Similarly, Ibrahim (2017) investigated the influence of financial attitudes on the profitability of Kenyan micro and small enterprise owners, finding a

significant relationship between financial attitudes and profitability, while noting that financial knowledge alone does not ensure profits unless effectively applied in business operations and decision-making.

Umogbaimonica, Agwa, and Asenge (2018) examined the effect of financial literacy on SME performance in Benue State, Nigeria, and found that financial knowledge and attitude significantly influence performance. Similarly, Shafinah and Vinoid (2020) investigated the role of financial literacy in boosting SMEs profitability in Kuching, highlighting the importance of financial knowledge, behaviour, and attitude in entrepreneurial decision-making. The result showed a positive relationship between financial literacy and SME profitability.

### **3.0 Methodology**

The study was descriptive in nature, using field survey research design to collection data. The population of this study comprised 600 registered SMEs operating in the manufacturing and service sectors within Akure metropolis, Ondo State (Ministry of Commerce and Trade, Akure, Ondo State, 2016). A sample size of 240 was derived from the study population using Taro Yamane's (1968) formula. The sample was proportionately selected from the study area using a simple random sampling technique. The questionnaire was in form of YES/NO. Also, a five-point Likert scale ranging from strongly Agree (5) to Strongly Disagree (1) was used to address the objective of the study. A total of 240 questionnaires were distributed, with 200 successfully retrieved, resulting in a response rate of 83.3%. Data analysis was conducted using the Statistical Package for Social Sciences (SPSS), while descriptive statistics such as frequency distribution, percentages, and mean scores were used.

#### **Model specifications**

Following the work of Odebiyi, Fasesin and Ayo-Oyebiyi (2020) in financial literacy and SMEs performance, the linear relationship between financial capacity and enterprise performance is specified as follows:

$$Y = F(x) \dots\dots\dots (3.1)$$

**Where:**

$$Y = \text{Profitability (PR)} = \{\text{SMEs Performance}\} \dots\dots\dots (3.2)$$

x= Financial capability (FC)

x=  $x_1$   $x_2$ ,  $x_3$ ,  $x_4$

**where:**

$x_1$  = Financial behaviour (FB)

$x_2$  = Financial attitude (FA)

$x_3$  = Financial literacy (FL)

$x_4$  = Financial skills (FS)

Expressing the above equation in an econometric model gives the following:

$$PR = \alpha_0 + \alpha_1 FB + \alpha_2 FA + \alpha_3 FL + \alpha_4 FS + e_i \dots\dots\dots (3.3)$$

### Estimation Technique

The study's data were examined using both descriptive and inferential analysis methods. Specifically, multiple regression analysis was employed to estimate the model outlined in equation (3.1).

### A Priori Expectation

A priori expectations are used to define the predicted nature of relationships in order to know whether the relationships between the dependent and independent variables are positive or negative.

Accordingly, this study outlines the expected relationships as follows.

$\alpha_1 > 0$ ,  $\alpha_2 > 0$ ,  $\alpha_3 > 0$ ,  $\alpha_4 > 0$ . Reject  $H_{01}$  if  $p < 0.05$ ; Otherwise, accept.

## 2.5 Results and Discussion

### Reliability Test

**Table 1**

*Reliability Test Result of the Data Provided by the Respondents*

Cronbach's Alpha	N of items
.725	30

**Source:** Researcher's Field Survey, 2024

Table 1 explains the reliability and excellent correlation in the data used in the study. Cronbach Alpha Coefficient result is greater than the threshold of 0.7 and therefore, the questionnaire was considered reliable

**Table 2**

*Table Showing the Distribution of Questionnaires*

Items	Freq.	%
Questionnaire distributed	240	100
Questionnaire retrieved	177	74
Not retrieved	63	26

**Source:** Researcher's Field Survey, 2024

Table 2 reveals that a total of 240 sets of questionnaire were distributed out which 177 were retrieved from the respondents, representing a response rate of 74%.

**Table 3**

*Educational Level of Respondents*

Educational Level	Freq.	%
Elementary/Secondary	28	16
NCE/OND	32	18
HND/B.Sc./B. A	111	63
MBA/M.Sc./Ph. D	6	3
<b>Total</b>	<b>177</b>	<b>100</b>

**Source:** Researcher's Field Survey, 2024

Table 3 presents the respondents' educational levels. The findings indicate that over 80% had attained tertiary education, while 16% had completed elementary or secondary school. This is



considered favourable for the study. According to Ibrahim and Alqaydi (2013), education enhances personal financial attitudes and can reduce reliance on credit cards.

**Table 4**  
*Assessment of the Financial Capability of Enterprises*

Items	Very High		High		Low		Very Low		Undecided		Mean
	Freq	%	Fre	%	Freq	%	Freq	%	Freq	%	
Financial Attitude	32	18.1	50	28.2	41	23.2	38	21.5	16	9.0	3.3
Financial Behaviour	22	12.4	61	34.5	48	27.1	35	19.8	11	6.2	3.2
Financial Literacy	23	13.0	25	14.0	49	27.7	54	30.5	26	14.7	2.8
Financial Skills	3	1.7	5	2.8	63	35.6	66	37.3	40	22.6	2.2

**Source:** *Researcher's Field Survey, 2024*

Table 4 evaluates the respondents' financial capability across all its components. Based on the mean scores, the results indicate that SMEs show notable strength in both financial attitude and financial behavior, as each falls within the "High" category. This aligns with earlier findings that financial attitude plays a role in shaping financial behavior. Conversely, the results highlight a weakness in financial literacy, which falls within the "Low" category, consistent with previous studies reporting SMEs' limited financial literacy and investment knowledge. Similarly, the result shows that SMEs financial skills is low. Previous studies reveal that enterprises often lack the financial literacy and skills necessary for making complex financial decisions and implementing effective financial practices.

Judging by the mean average of 2.9, the result generally reveals that the financial capability of the respondents is low. This aligns with earlier findings indicating that the lack of financial capability has hindered SMEs' contribution to Nigeria's economic performance. The implication is that SMEs in the study area still exhibit low financial capability, along with limited capacity to manage and control their finances and make well-informed financial decisions.

**Table 5**

*Likert Scale Distribution of the Effect of Financial Capability on Enterprise Profitability*

Items	SA		A		UN		D		SD		Mean
	Fr q	%	Fr q	%	Fr q	%	Fr q	%	Fr eq	%	
Lack of financial capability can result in difficulty in utilizing acquired credit and making sound financial decisions.	93	52.5	56	31.6	6	03.4	10	05.6	12	06.8	4.20
Lack of financial capability required to make sound financial decisions can result in low profitability.	73	41.2	64	36.2	14	07.9	16	09.0	10	05.6	4.01
Financial capability will enhance access to finance hence, improve the financial performance of enterprise	75	42.4	52	29.4	18	10.2	17	09.6	15	08.5	3.90
Sound investment and financing decisions are required to enhance profitability	81	45.8	61	34.5	11	06.2	14	07.9	10	05.6	4.10
Business success is associated with sound decision making and ability to manage finances.	84	47.5	53	29.9	17	09.6	10	05.6	13	07.3	4.07
Financial capability is required for business performance and survival	87	49.2	62	35.0	13	07.3	8	04.5	7	04.0	4.23

Source: Researcher's Field Survey, 2024

Table 5 presents data from survey respondents showing the effect of financial capability on the financial performance of firms. With the mean score of 4.20, the survey shows that respondents strongly agree that lack of financial capability can result in difficulty in utilizing acquired credit and making sound financial decisions. The mean score of 4.01 also reveals that respondents strongly agree that lack of financial capability required to make sound financial decisions can result in low profitability. With the mean score 3.90, the result shows that respondents agree that financial capability will enhance access to finance, consequently improve the financial performance of SMEs. Similarly, judging by the mean score of 4.10, survey respondents strongly agree that sound investment and financing decisions are required to enhance financial performance. Again, with the mean score of 4.07, respondents strongly agreed that business success is associated with sound decision making ability and ability to manage finances. Similarly, respondents strongly agreed that financial capability is required for business performance and survival. In Summary, judging by the average mean score of 4.09, the survey shows respondents strongly agree that financial capability practices have effect on the financial performance of SMEs. The result however emphasises the position of Cole, Sampson, and Zia (2008) and Felipe, Ceribeli, and Lana (2017) that financial capability is an essential skill for SMEs improved profitability and business survival.

**Table 6**

*Regression Result: Effect of Financial Capability on Enterprises' Financial Performance (Profitability)*

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig.
1	.528	.343	.315	.34843	.000

Financial capabilities variable on profitability

**Source:** Researcher's Field Survey, 2024

**a. Predictors:** (constant), financial behaviour, financial attitude, financial literacy, and financial skills



## b. Dependent variable: Profitability

The model summary shows the result of regression analysis of the effects of financial capability on the profitability of SMEs. The regression shows that  $R^2$  is 52.8% while and when adjusted, gives 34% approximately. This shows that 34% of the variation in the dependent variable (profitability of SMEs) is explained by the predictors used in the model. The model is significant with p value  $0.000 < 0.05$ . The result indicates that financial capability proxy by financial behaviour, financial attitude, financial literacy and financial skills have positive and significant effect on profitability of SMEs. In other words, the result reveals that as SMEs ability to manage financial resources and use financial services in a way that best suits enterprises' needs increases, the chances are that it will enhance their ability to make more profit. This resulted is consistent with previous studies Cole, Sampson, and Zia (2008) and Felipe, Ceribeli, and Lana (2017) who found that financial capability is an essential skill for SMEs improved profitability and business survival. Similarly, the result corroborates the empirical work of *Geoffrey, Otieno and Adam (2016) who concluded that high levels of financial literacy among SME owners led to higher financial performance of SMEs. Shafinah and Vinoid (2020) in a similar work examined the influence of financial literacy, attitude and behaviour on the profitability of SMEs in Kuching. The findings attested to the relevance of these factors to SMEs profitability.*

**Table 7**  
*Coefficients*

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1(Constant)	5.513	.458		12.043	.000
Financial Behaviour	.131	.280	.034	.469	.640
Financial Attitude	-.849	.402	-.150	-2.111	.036
Financial Literacy	-.724	.192	-.266	-3.762	.000
Financial Skills	.404	.186	.153	2.173	.031

**Source:** *Researcher's Field Survey, 2024*

Dependent Variable: Financial Decision

*Note:  $p < 0.05$ , shows that at 5% significant level, the item is significant.*

Table 7 reveals financial behaviour, financial literacy, and financial skills as the explanatory variables in the model. Based on their coefficients, financial skills (0.404) and financial behaviour (0.131) emerge as the most influential predictors, both showing a positive relationship; meaning that increases in these variables have a positive effect on financial performance. Vinoid (2020) emphasized the importance of financial behaviour in decision-making and profitability, while Drexler, Fischer, and Schoar (2014) also confirmed the positive relationship between financial skills, financial decision-making, and financial practices.

Conversely, financial attitude and financial literacy exhibit significant negative relationships with profitability, implying that increases in these variables are associated with declines in SMEs' financial performance in the manufacturing and business sectors. Similarly, Ibrahim (2017) found that financial knowledge (literacy) does not necessarily translate into higher

profits, and the *Investigating the Financial Capabilities of SMEs* (2018) report noted that inadequate financial knowledge can hinder SME performance. Previous research has also shown that a negative financial attitude can undermine financial decision-making and, in turn, harm business performance (Sohn, Joo, Grable, Lee, & Kim, 2012; Anne, Alex, & Nyang'aya, 2017). However, based on p-values, only financial skills are statistically significant in this model.

#### **4.0 Conclusion**

This study examined the effect of financial capability practices on the financial performance of SMEs in Ondo State. Unlike previous research which primarily focused on financial literacy, this study adopted a broader approach by analyzing financial capability through the lenses of financial attitude, behavior, literacy, and skills. Descriptive analysis showed that the level of financial capability in the region is low but boosts SMEs profitability, especially in the manufacturing and service sectors. Empirical evidence revealed that financial capability has positive significant influence on financial performance of SMEs. In addition, while financial behaviour and skills positively impact profitability, poor financial attitudes and low literacy negatively affect profitability due to poor attitudes toward financial matters, inadequate financial knowledge and skills required for sound decision-making. The study established a critical link between financial capability and financial performance of SMEs. This research added valuable insights into the components of financial capability at the SMEs level, an area previously underrepresented in the literature.

#### **4.0 Recommendations**

*Consequent upon the findings of this study the study recommends the following:*

- i To enhance financial capability among enterprises and strengthen their usage of financial services, government agencies like Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) should integrate financial capability programs, frameworks, and policies into their initiatives.*
- ii Due to low level of financial literacy, SMEs are encouraged to participate in financial education programs, workshops and seminars to gain skills for better financial management, boosting their performance and creditworthiness.*
- iii To improve SMEs' approach to financial matters, financial capability programs should focus on promoting positive a that support better financial capability.*

#### **REFERENCES**

- Agyapong, D., & Attram, A. B. (2019). Effect of owner-manager's financial literacy on the performance of SMEs in the Cape Coast Metropolis in Ghana. *Journal of Global Entrepreneurship Research*, 9(1), 1-13. <https://doi.org/10.1186/s40497-019-0191-1>
- Ahmetoglu, G. (2015). *The entrepreneurial personality: A new framework and construct of entrepreneurship research and practice* (Doctoral dissertation, Goldsmiths, University of London).
- Ajzen, I. (1985). From intentions to actions: A theory of planned behaviour. In J. Kuhl & J. Beckmann (Eds.), *Action Control*, 11-39. Berlin: Springer Berlin Heidelberg. [https://doi.org/10.1007/978-3-642-69746-3\\_2](https://doi.org/10.1007/978-3-642-69746-3_2)
- Anshika, A., & Singla, A. (2022). Financial literacy of entrepreneurs: a systematic review. *Managerial Finance*, 48(9/10), 1352-1371. <https://doi.org/10.1108/MF-06-2021-0260>
- Arnold, J., & Rhyne, E. (2018). A change in behaviour. Innovations in financial capability. Retrieved from: <https://content.centerforfinancialinclusion.org/wp-content/uploads/sites/2/2018/09/a-change-in-behavior-final-2.pdf>
- Buchdadi, A. D., Sholeha, A. Ahmad, G. N., & Mukson (2020). The influence of financial literacy on SMEs performance through access to finance and financial risk attitude as mediation variables. *Academy of Accounting and Financial Studies Journal*, 24(5), 1-16.
- Burchi, A., Włodarczyk, B., Szturo, M., & Martelli, D. (2021). The effects of financial literacy on sustainable entrepreneurship. *Sustainability*, 13(9), 5070. <https://doi.org/10.3390/su13095070>
- CFPB (2018). Pathways to financial well-being: The role of financial capability. Research brief. Retrieved from: [https://files.consumerfinance.gov/f/documents/bcfp\\_financial-well-being-pathways-role-financial-capability\\_research-brief.pdf](https://files.consumerfinance.gov/f/documents/bcfp_financial-well-being-pathways-role-financial-capability_research-brief.pdf)
- Drexler, A., Fischer, G., & Schoar, A. (2014). Keeping it simple: Financial literacy and rules of thumb. *American Economic Journal: Applied Economics*, 6(2), 1-31.
- EVERFI.(2018).<https://everfi.com/campaign/financial-education-start-early/?source=70132000000t1jE> Retrieved 02 28, 2019, from Developing Financial Capability Across Every Stage of Life:<https://everfi.com/campaign/financial-education-start-early/?source=70132000000t1jE>
- Fikri, A. S. K., & Singla, A. Nahda, K. (2023). The effect of financial literacy on MSMEs performance through financial access and financial risk attitude as mediation variable. *Journal of Economic Resource*, 6(2), 238-247.
- FINRA, & Investor Education Foundation. (2009). Financial capability in the United States: National Survey-Executive Summary. Washing-dc. Retrieved from <http://www.finrafoundation@foundation/documents/foundation/p12>.
- Geoffrey, K., Otieno, E., & Adam, S. (2016). A study on the influence on financial literacy on financial performance of small and medium enterprises in Ruiru, Kiambu country, Kenya. *International Journal of Economics, Commerce and Management*, 4(11), 416-433
- Husniyati, A. E. (2017). Financial literacy of entrepreneurs in the small and medium enterprises. *Proceedings of the 2<sup>nd</sup> Advances in Business Research International Conference*, 31-38.
- Huston, S. J. (2017). Measuring financial literacy. *The Journal of Consumer Affairs*, 44(2), 296-316.
- Ibrahim, M. E. & Alqaydi, F. R. (2013). Financial literacy, personal financial attitude, and forms of personal debt among residents of the UAE. *International Journal of Economic and Finance*, 5(7). DOI: 10.5539/ijef.v5n7p126
- Ibrahim, A. H. (2017). *The impact of financial literacy on the profitability of micro and small enterprises owned by university students in Kenya: A case study of United States*

- International University-Africa* (Unpublished master's thesis). United States International University Africa, Kenya.
- Kamini, R., Shikha D., & Milkesh, Y. (2019). *Association of financial attitude, financial behaviour and financial knowledge towards financial literacy: A structural equation modeling approach. Fortune Institute of International Business*, 8(1)51-60.
- Kempson, E., Valeria, P., & Kinnon, S. (2013). Measuring financial capability: A instrument and results from low-and middle- income countries. *Financial Literacy and Education. Russia Trust Fund. World Bank. Washington, DC.*
- Latif, J. Y., Razak, B. T. & Lumpur, K. (2011). Financial management attitude and practice among the medical practitioners in public and private medical service in Malaysia, 6(8), 105-113.
- Lusardi, A., & Mitchell, O. S. (2008). Planning and financial literacy: How do women fare? *American Economic Review: Papers and proceedings*, 98, 413-417.
- Lusardi, A., & Mitchell, O. S. (2011). Financial Literacy around the World: An overview *Journal of Pension Economics and Finance*, 10(4), 497-508. Doi:1017/S147474211000448
- Niwaha, M., Schmidt, O., & Tumuramye, P. (2016). Financial literacy and development- Experimental insights from rural micro and small entrepreneurs (MSEs) in Western Uganda. *International Journal of Development Research*, 6(2), 6758-6764.
- Nofsinger, J. R. (2005). *Psychology of Investing. Second Edition*. New Jersey. Precentice-Hall Inc.
- Odebiyi, I., Fasesin, O. and Ayo-Oyebiyi, G.T. (2020). Financial Literacy and Small and Medium Enterprises' Performance in Lagos State, Nigeria: An Empirical Approach. *SOCIALSCI Journal*, 7 (1) 46-54
- OECD (2015). Financing MSMEs and entrepreneurs. *An OECD Scoreboard*, 1-409.
- Oggero, N., Rossi, M. C., & Ughetto, E. (2020). Entrepreneurial spirits in women and men. The role of financial literacy and digital skills. *Small Business Economics*, 55(2), 313–327. <https://doi.org/10.1007/s11187-019-00299-7>
- Pankow, D. (2012). Financial values, attitudes and goals. Retrieved from <https://www.ag.ndsu.edu/pubs/yf/fammgmt/fs591.pdf>
- Perotti, V., Siegfried, Z., Giuseppi, I., & Adedayo, B (2013). Making sense of financial capability surveys around the World: A review of existing financial capability and literacy measurement instruments. *Financial literacy and Education. Russia Trust Fund. World Bank. Washington, DC.*
- Pulka, B., Aminu, A. A., & Rikwentishe, R. (2015). The Effects of entrepreneurship education in university students' attitude and entrepreneur intention. *European Journal of Business and Management*, 7(20), 149-157.
- Rajna, A., Latif, J. Y., Junid, S. A., & Moshiri, H. (2011). Financial management attitude and practice among the medical practitioners in public and private medical service in Malaysia. *International Journal of Business and Management*, 6(8).
- Sen, A. (1993). Does business ethics make economic sense? *Business Ethics Quarterly*, 3(1), 45–66. [https://doi.org/10.1007/978-94-015-8165-3\\_6](https://doi.org/10.1007/978-94-015-8165-3_6)
- Shafinah, R., & Vinod, R. B. (2020). Financial literacy: The impact on the profitability of the SMEs in Kuching. *International Journal of Business and Society*, 21(3), 1172-1191
- Sohn, S. H., Joo, S. H., Grable, J. E., Lee, S., & Kim, M. (2012). Adolescents' financial literacy: The role of financial socialization agents, financial experience, and money attitudes in shaping literacy among South Korean youth. *Journal of Adolescence*, 35(4), 969-980.

- Struckell, E. M., Patel, P. C., Ojha, D., & Oghazi, P. (2022). Financial literacy and self-employment: The moderating effect of gender and race. *Journal of Business Research*, 139, 639–653. <https://doi.org/10.1016/j.jbusres.2021.10.003>.
- Sucuahi, W. (2013). Determinants of financial literacy of micro entrepreneurs in Davao City. *International Journal of Accounting Research*, 1(1), 44-51
- Umogbaimonica, E., Agwa, T. R., & Asenge, L. E. (2018). The effect of financial literacy on the performance of small and medium scale enterprises (SMEs) in Benue State, Nigeria., 2(4), 65-79
- Wati, C. R., Sumiati, S., & Andarwati, A. (2021). The effect of financial knowledge on firm performance: The role of financial risk attitude as moderation. *International Journal of Research in Business and Social Science*, 10(8), 236-249.
- World Bank (2013d). Financial capability survey around the world: Why financial capability is important and how surveys can help. *Federal Department of Economic Affairs, Education and Research EAER*
- World Bank (2018). *Doing business 2019. Training for Reform, Economic Profile*, Liberia.
- World Bank Group, (2018). Investigating the financial capabilities of SMEs: Lessons from a 24-Country survey, Available at [www.worldbank.org](http://www.worldbank.org).
- Yakob, S., Yakob, R., Hafizuddin-Syah, B. A. M., & Rusli, R. Z. A. (2021). Financial literacy and financial performance of small and medium sized enterprises. *The South East Asian Journal of Management*, 15(1)
- Ye, J., & Kulathunga, K. (2019). How does financial literacy promote sustainability? A developing economy perspective. In *Sustainability* 11(10), <https://doi.org/10.3390/su11102990>
- Zahroh, F. (2014). Testing the financial knowledge level, personal finance attitudes, and personal financial behavior of students. *Management Department, Faculty of Economics and Business, Diponegoro University*.
- Zeynep, T. (2015). Financial education for children and youth. *Handbook of research on Behavioural Finance and Investment Strategies*, 24