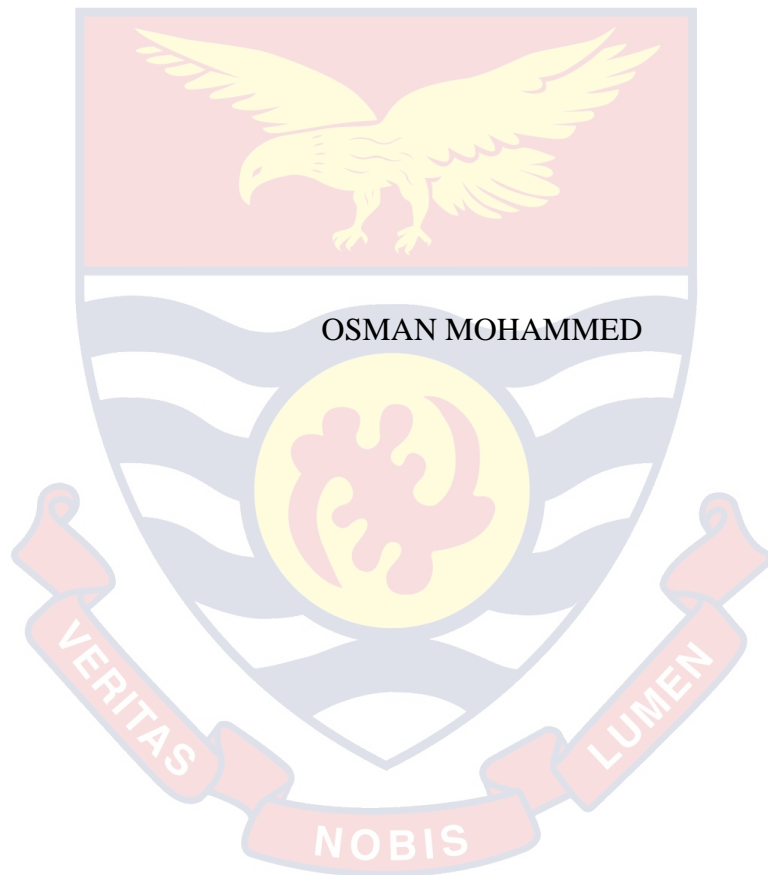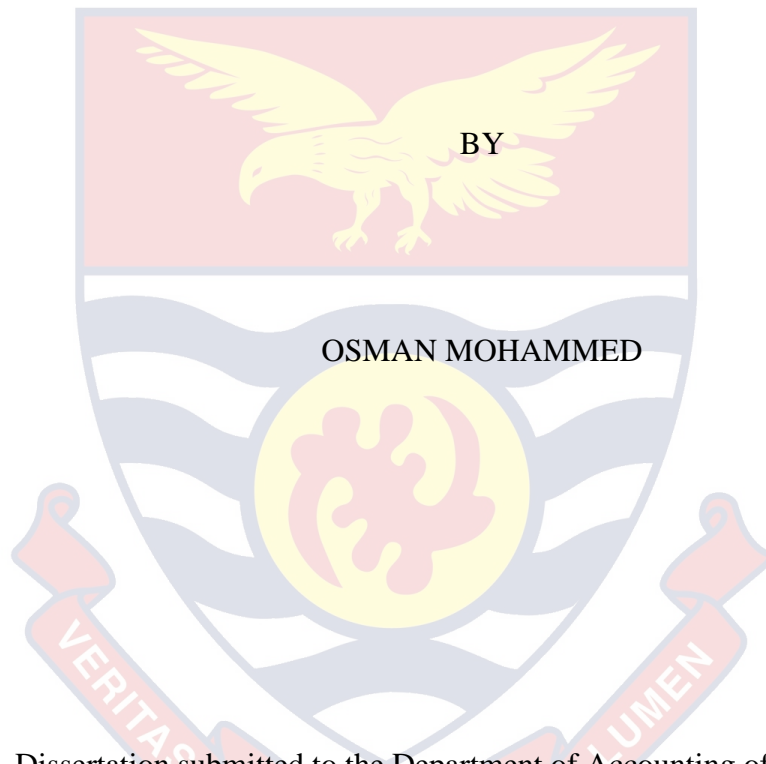UNIVERSITY OF CAPE COAST

FINANCIAL LITERACY AND INVESTMENT DECISIONS: THE CASE
OF WA MUNICIPALITY

OSMAN MOHAMMED

JULY, 2019

UNIVERSITY OF CAPE COAST

FINANCIAL LITERACY AND INVESTMENT DECISIONS: A

STUDY OF WA MUNICIPALITY

BY

OSMAN MOHAMMED

Dissertation submitted to the Department of Accounting of the School of
Business, College of Humanities and Legal Studies, University of Cape Coast,
in partial fulfilment of the requirements for the award of Master of Business
Administration Degree in Accounting.

JULY, 2019

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere. Also, materials of the scholars that have been used have either been cited in text or in the reference list.

Candidate's Signature.............................

Date......................

Name: Osman Mohammed

Supervisors' Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature.........................   Date.........................

Name: Dr. Zangina Isshaq Mohammed

ABSTRACT

The research sought to investigate study on financial literacy and investment decision issues in the Wa Municipality of the Upper West Region of Ghana. In particular, the study specifically examined the levels of understanding and knowledge of individuals in savings and borrowing, investment and insurance in Wa Municipality; examine the classifications of individuals on financial literacy in the Wa Municipality and estimate the effect of financial literacy on individuals' opinions and decisions on personal issues in finance in Wa Municipality. This study was a quantitative research which employed both descriptive and inferential statistics with a cross sectional design. The target population of the study consisted of investors, salary earners, business people and some workers of financial institutions in the municipality. Sample of 162 people were selected using stratified and convenience sampling. A questionnaire was employed and data was analysed using Analysis of Variance and Logistic Regression analyses. The findings showed that in terms of the knowledge levels of individuals on financial issues, the study found that there is low general knowledge in finance, some considerable level of knowledge of savings and borrowing and highly deficient understanding of financial markets and investment. Also, gender, qualification and working experience are the main drivers of knowledge on financial issues. Again, the significant factors that underlie the classifications of people on financial literacy are based on gender, educational qualification, age, occupation, income and field of study.

KEY WORDS
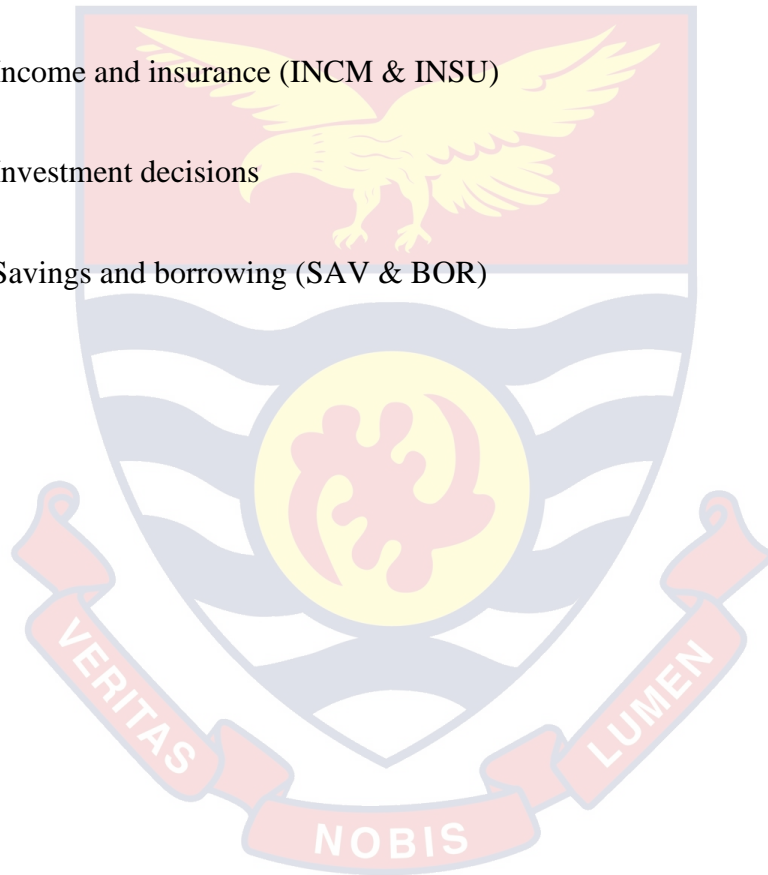
Financial Illiteracy

Financial sector

Fund management scams

Income and insurance (INCM & INSU)

Investment decisions

Savings and borrowing (SAV & BOR)

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DEDICATION

To my late father Alhaji Iddrisu Osman and

my newly born baby Mohammed Asmat

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CHAPTER ONE

INTRODUCTION

Everybody wants it. Nobody understands it. Money is the great taboo. People just won't talk about it. And that is what leads you to subprime. Take the greed and the financial misrepresentation out of it, and the root cause of this crisis is massive levels of financial illiteracy" (Collins, 2012).

Background of the Study

The most recent financial collapse was indeed widespread financial illiteracy. Certainly, there were other contributing factors that deserve some attention, but, clearly financial literacy played a starring role in the drama. Over the last few decades the average Ghanaian has become ever more responsible for their own financial well-being amidst a barrage of increasing complexity in financial products as well as intensifying budgetary pressures. Even before the latest implosion of the financial system the ability of the average Ghanaian to respond to these stresses in an optimal manner has come into question (Owusu, 2016).

One area where the average Ghanaian competency is suspected to be lacking is in the area of financial literacy, knowledge, and skills thought to be required to make sound financial decisions based on one's budget and goals. Without these skills individuals find themselves at a disadvantage, and when a large portion of the population lacks these skills there may be adverse implications for the stability of the entire economic system (Abraham &Michael, 2012).

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It is very essential that each person should have the ability to understand how money works; how to manage it to earn and to invest or how to donate it to help others (International Network on Financial Education (INFE), 2011). Financial literacy provides the necessary knowledge, skills and tools for individuals to make informed financial decisions with confidence, to manage personal wealth with efficiency and to increase financial competence to demand for better financial services (Ali, 2013).Gallery, Newton and Palm (2010) and Capuano and Ramsay (2011) have acknowledged that the cost of low financial literacy rate is substantial for the general public.

Empirical studies (Poterba, 2007; Mitchell, 2011) have shown that people who under-save neglects to settle on savvy investment decisions and are frequently indebted. Researchers additionally for the most part agree that financial knowledge seems, to be associated with self-gainful financial behaviour (Hilgert, Hogarth & Beverly, 2003). Inquiries, in any case, exist concerning the adequacy of financial education in enhancing financial literacy (Lyons; Palmer; Jayaratne &Scherpf, 2006). Financial illiteracy has been referred to by numerous analysts as a noteworthy reason for falling savings rates (Jappelli, 2010; Beckmann, 2013). A superior educated consumer will put something aside for future and for unforeseen circumstances and crises (European Financial Education Partnership [EFEP], 2011). Mounting consumer debt is connected with financial illiteracy (Gerardi, 2010). Lusardi and Mitchell (2011a) find in the U.S. that absence of getting ready for retirement is across board and associated with financial literacy, premise for divorce, poor mental wellbeing and an assortment of other negative and miserable encounters (Kinnunen&Pulkkinen, 1998; Cleek & Pearson, 1985), and the cause of

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emotional stress, depression and hopelessness (Murphy, 2013). Atkinson and Kempson (2004, p.2) found that youngsters (aged 18 to 24) in Britain are progressively over-borrowed, prompting financial challenges as a result of financial illiteracy. A study conducted by the Ministry of Finance and Economic Planning (MoFEP, 2008) revealed that about 20 percent adults in Ghana happened to be financial educated, for example, savings, loans, investment and insurance. However, according to Lisa and Bilal (2012) those using financial products in Ghana are around 56 percent, comprising 41 percent in the formal sector and the remaining 15 percent in the informal sector. This shows that access to financial service is lower in Ghana compared to Lesotho which is 81 percent.   FinScope also indicated that 52 percent of urban adults have commercial bank accounts. Furthermore, only 4 percent have formal insurance, and an even smaller percentage has informal insurance.   InterMedia (2010) reports the results of a national representative surveys of youths aged 15-24 in Ghana and Kenya on their access to financial information. The results show that older youths (aged 20-24) have more access to financial information than younger youths (aged 15-19). It is for this reason, that the Government of Ghana has institutionalised an annual National Financial Literacy Week. The financial literacy week was launched in September 2008 under the theme: "Financial Literacy: Knowledge Is Money".

In October 2018, professor GodfredBokpin of the university of Ghana advocated on Media General economic forum the inclusion of financial literacy training in the countries education curricula to enable citizens make sound financial decisions without falling for ponzi schemes which are on the rise in the country (October. 18, 2018, 3news.com). Schaenand Lines (1996) suggest

that a person who is financially literate enjoys a range of attributes such as a key understanding of the concepts which are important in money management; a fair knowledge of financial institutions, services and systems; a variety of analytical and synthetically skills, both general and specific; and attributes which allow for responsible and effective management of one's financial affairs (Oppong-Boakye &Kaansanba, 2013).Further studies by Van Rooij, Lusardi andAlessie (2007) intimate that individuals who have low financial education are more probable to be influenced in their financial decisions by the financial intelligence from family, friends and other relatives and are less probable, compared to others, to invest in stocks. Mandell (2008) establish that individuals (Higher education) with an advanced financial literacy scores, as compared to others, who are lessknowledgeable in financial education are less to bounce a cheque and more likely to have their cheque balance in their books. A study by Van Rooij, Lusardi andAlessie (2007) has revealed that individuals who do not have much financial literacy are less likely to participate in indirect financial investments.

Statement of the Problem

In many respects, investment is considered the most important driver of financial success especially for poverty-stricken and low-income individuals, businesses and governments. One key motivator for investment at the individual level is for people in the Wa Municipality to gain financial freedom in fulfilling their dreams of acquiring decent accommodation, cars, starting up businesses, among others. These represent the gains from investment decisions of the people in the Wa Municipality over the past few years. However, at the heart of the investment phenomenon is financial education. For instance, Chowa, (2010)

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showed that there is low level of financial literacy among the youth in Ghana. Also, United States Agency for International Development (2009 cited in Oppong-Boakye &Kaansaba, 2013, p. 39) survey finds a low national mean of 44 percent in terms of financial knowledge among Ghanaians. Hence beyond the question of the benefits of investments, past studies have examined the financial literacy and its effects on the investment decisions of savers and investors even though with controversial findings. Whiles on one hand some (Jappelli, 2010; Beckmann, 2013) argued that financial illiteracy has negative effect on investments, others (Hartaska, Valentina& Gonzalez-Vega) have not found a greatly significant influence of financial illiteracy on investment. Hence, a crucial attempt is to examine the determinants of financial literacy in the Wa Municipality.

Again, previous empirical studies (Chowa et al., 2010; Ali, 2013, Oppong-Baoky&Kaansaba, 2013) on financial literacy were conducted in different geographical settings not the Wa Municipality.Unlike other studies on financial literacy in Ghana, a study on the Wa Municipality is particularly interesting and given that it was one the most affected regions of the Bank of Ghana shut down of unlicensed microfinance institutions between 2014 and 2016. Furthermore, such studies have failed to provide adequate evidence on how different levels of knowledge on financial literacy can influence the investment decisions of individuals. This creates a literature gap. Hence, the first step in formulating macroprudential policies to prevent any form of crises in the financial sector in Wa Municipality in particular and Ghana at large is to understand the knowledge levels of savers and investors on savings, personal finance management and investment. It is therefore on the back of this that this

study was motivated to examine financial literacy and investment decisions in the Wa municipality.

Objectives of the Study

The main aim of this study isto examine financial literacyand investment decisionsin the Wamunicipality.

The specific objectives are:

1. To examine individuals' understanding and knowledge in savings and borrowing, investment and insurance inWaMunicipality, and

2. To estimate the determinants of financial literacy in the Wa Municipality.

Research Questions

The study seeks to fine answers to the above objectives by asking the following questions to determine whether the people of WaMunicipal are financial literate and can make sound investment decisions.

1. What is the understanding and knowledge of individuals in income, savings and borrowing, investment and insurance in WaMunicipality?
2. What are the determinants of financial literacy in the Wa Municipality?

Significance of the Study

Identifying factors that affect in positive or negative way intentions to use financial services may have important implications for academics and financial practitioners as well as lead to better policy interventions by government and any kind of organization responsible for financial literacy education in Ghana. The research findings provide meaningful information on the sociodemographic determinants of individuals' knowledge on financial

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issues that can serve as a basis for developing educational programs and identifying the best ways to deliver financial knowledge to consumers that can foster trust and confidence in financial institutions and greater and more efficient use of financial services.

Again, the findings of the studycontribute to building the existing body of literature on financial literacy and its effect on investment decisions. In other words, there are currently few studies on this very important area. In particular, the study establishes that there is some considerable level of knowledge of savings and borrowing and highly deficient understanding of financial markets and investment as well as the main drivers of knowledge on financial issues. This clearly contributes to the current arguments and state of literature on the contribution of financial literacy to informing investment decisions.

Delimitations

The study primarily focused on the Wa municipality, which had been the center of mostcollapsed existing as well as financial institutions in the Upper West Region. Specifically, the study targeted individual savers and investorsof differentfinancial institutions.With regards to the determinants of financial literacy, the study was restricted to gender, age, income, qualification, occupation, working experience and field of study of the respondents. However, this study was geographically constrained to the Wa Municipality in the Upper West Region and did not capture some other districts in the region or other districts in other regions even though they have savers and investors in collapsed investment companies. Again, the rate and extent of diffusion and/or the rate of adoption of financial literacy in issues among the inhabitants of the Wa Municipality has not been captured in this study.

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Limitations

The study used primary data from the respondents. The data collection was a survey one for the Wa Municipal. The Wa Municipal is the capital of the Upper West Region with a total population of 107,214 and for this study 177 (with only 162 questionnaires retrieved) sample size was chosen. Not only is the sample relatively small to represent financial literacy issues of all potential individual savers and investors but also the availability of other relevant variables for the study. However, statistically, a sample size of 162 is deemed enough for analysis of quantitative data. The study could have also adopted an Ordered Probit Regression model where in predicting the knowledge levels of the respondents the knowledge levels could be categorised or ordered by "No knowledge", "Less knowledge" and "More knowledge" so as to capture more detail information instead using the Logistic Regression Model. This may have the tendency to influence the general conclusions drawn from this study. However, this logistic regression also gives adequate information compared to the Ordinary Least Squares regression in this study and hence no findings of the study were entirely compromised. Notwithstanding, the findings in this study are relevant for policy formulation considering the objectives of the study along with the outcome of the findings.

Organization of the Study

The dissertation has been organised into five chapters. Chapter One includes the introduction and background to the study, statement of the problem, objectives, and research questions, significance of the study, delimitations, limitations and the organisation of the study. Chapter Two focuses on the literature review, which reviews literature that has both direct and indirect connection to the

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subject matter and what propelled their position and contemplations on the topic. The Chapter Three emphasises on the research methodology. It also outlines the techniques that have been applied and how the research is designed, the data collection method and instruments used will be described, the models used would be specified and how data is analysed. Chapter Four presents the findings and discussions of the data. Primary and secondary data are presented, discussed and analysed. Chapter Five draws conclusions from data gathered and makes recommendations for national and international interest and for probable future research.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This section provides an analytical view of what various researchers and writers have said on the topic at hand through the use of journals, newspapers, reports, conferences, books and others such as internet materials on financial literacy and investment decisions: A study of Wa municipality with regard to their general knowledge in finance, savings, borrowing, retirement planning, investment and insurance. The literature review provides background and justification for the research undertaken. The review will however be done based on these thematic areas; the benefits of financial literacy, dangers of not being financially literate, the determinants of financial literacy, how financial literacy influences personal decisions and the conceptual framework.

Importance of Financial Literacy

Several researches have demonstrated the importance of financial literacy (Danes & Hira, 1987; Grable &Joo, 1998; Kerkmann et al., 2000). Greenspan (2002) states that financial literacy can turn consumers into "responsible" and "empowered" market players, motivated and competent to engage in financial behaviours that increase their own welfare. A number of writers have noted that improving financial literacy can benefit all levels of the economy and will support the financial services sector; social and economic exclusion will also be reduced; spending power, innovation and competitiveness will increase and loan defaults will decrease (Currie, 2005).

According toWorld Bank (2009) financial literacy is especially important in our modern era for three main reasons. First, the recent financial crisis has reduced access to credit and increased its cost in many developing-country markets, just as it already has in the United States and Europe. Second, financial literacy can help to prepare consumers for tough financial times, by promoting strategies that mitigate risk such as accumulating savings, diversifying assets, and purchasing insurance. Third, financial literacy can reinforce behaviours such astimely payment of bills and avoidance of over-indebtedness that help consumers to maintain their access to loans in tight credit markets.

The causal link from financial literacy to positive financial behaviour

Financial knowledge and literacy promote particular forms of positive financial behaviour. However, particular behaviours (such as investing) or situations (acquiring wealth, joining the family business etc) result in market experience, and this can also promote higher levels of financial literacy. It is important to establish the link between financial literacy and good financial behaviour to elucidate the benefits of financially literate consumers. Empirical studies support the causal link from financial knowledge to healthy attitudes about money, which influences behaviour. Elliehausen, Lundquist and Staten (2007) tracked the progress of credit counselling clients, and found that those in receipt of counselling 'were able to reduce their debts, improve their credit card management, and lower their delinquency rates by more than those who did not receive counselling'.Hartaska, Valentina and Gonzalez-Vega (2006) found that people who received financial counselling had a lower default hazard, although repayment frequency was not greatly affected. Also significant are the findings

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of (Courchane& Zorn, 2005) who show a causal link from financial knowledge to financial behaviour, and link this behaviour to credit outcomes.

Theoretical Framework

The theoretical paradigm mostly used by researchers when studying financial decisions and how resources are managed is systems theory (Goldsmith, 2005). Systems theory looks at input, throughput, output and feedback in a flow chart model. Financial management is a concept grounded in human ecology and utility theories which are quite related to family resource management theory, which is embedded in the systems theory (Bubolz& Sontag, 1993). This study adapted the family resource management theory to understand and appreciate the financial literacy level of investors in the Wa Municipality and the determinants of financial literacy.According to Goldsmith (2005) family resource management theory was advanced by Deacon and Firebaugh (1981) as a management process with an orientation where management is "the process of using resources to achieve goals".

Conceptual Framework

From the review of the empirical studies, it was established that there is adequate evidence that different levels of knowledge of individuals in terms of their appreciation of financial issues hinge on certain key determinants. Whiles some studies have, in this context, classified respondents' knowledge on financial issues according to gender, it is not out of context to also classify them in terms whether they are financially literate or illiterate as done in this present study. Within this context then lies the need to examine the key determinants of financial literacy so as to identify policy variables for policy formulation. These key determinants have been noted to include age, income level, level of

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education, occupation, field of study and work experience. Consequently, the state of individuals' financial literacy has been evidenced to have influence on their understanding and knowledge in financial issues particularly their savings, borrowing, investment and insurance over time. That is, as individuals accumulate financial knowledge over time, it begins to shape their awareness, interest and consequent patronage of various financial portfolios. This interconnection of the study objectives is diagrammatically illustrated on the conceptual framework in Figure 1.
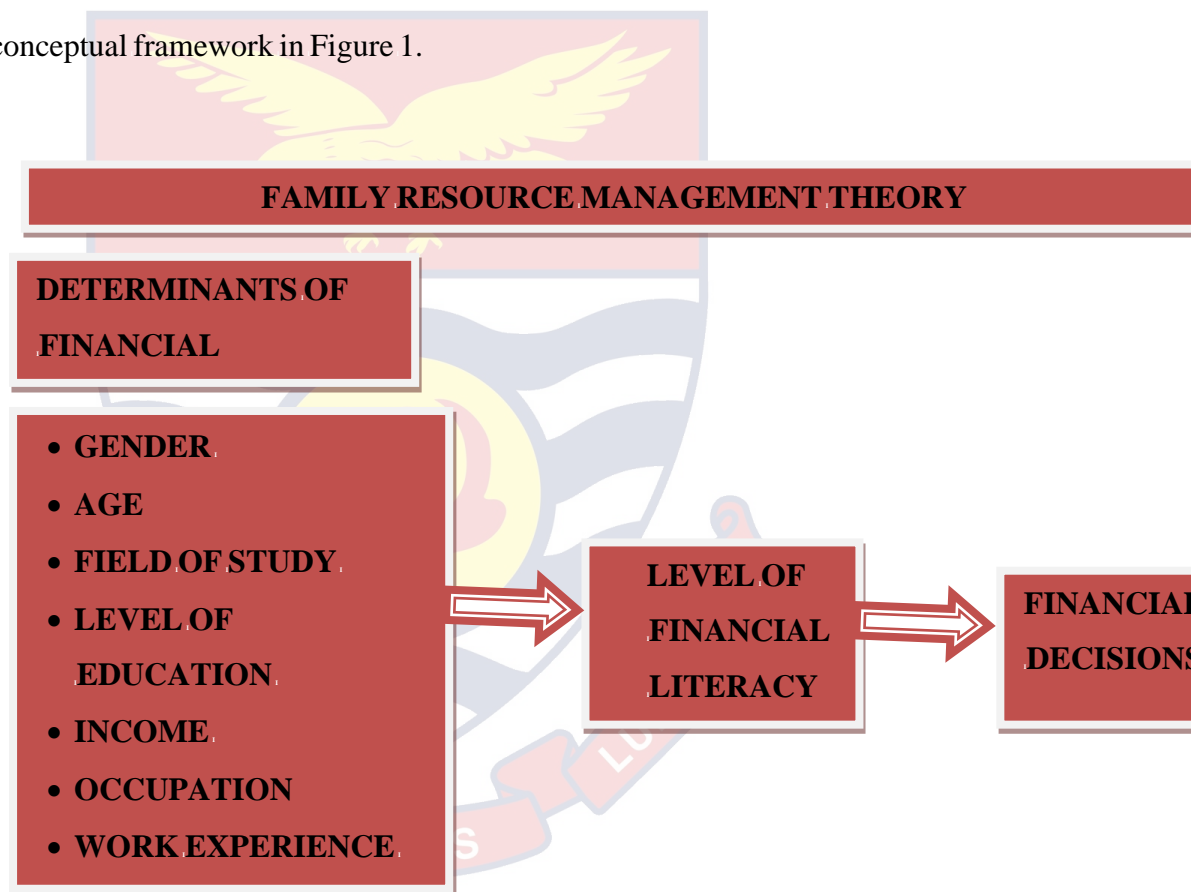
Figure 1: Conceptual Framework

Empirical Review of Past Related Studies on Study Objectives

Individuals' understanding and knowledge in savings and borrowing, investment and insurance

Studies conducted in the US show that financial behaviour and the level of saving are significantly different between genders. Since women generally have lower earnings, they tend to have a lower level of saving and wealth, as opposed to men. Women also face more difficulty in their retirement period because they spend five years more in retirement due to longer life expectancies, as opposed to men (Gottschalck, 2008).

Schmidt and Sevak (2006) suggest that women in the US have historically been dependent on men for financial security. Although this trend is changing, there are still large differences in economic well-being that influence all women of different age groups (Levine, Mitchell & Moore, 2000). The authors found that there are large gender gaps in current and planned retirement income. In general, there is a sizeable gap between the two genders in income resources like saving, pensions, and after-retirement earnings. Moreover, the poverty rates were significantly higher amongst women in most developed countries (Burnes & Schultz, 2000).

Other studies also showed that saving behaviour has a significant gender gap (Embrey & Fox, 1997; Yuh& Hanna, 1997). Women were found to be less likely to have a defined retirement saving plan compared to men (Sunden&Surrette, 1998), although other studies showed contradictory results (Agnew, 2006). Thus, it is not really clear whether women are more likely to spend more than their income.

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Mahdzan and Tabiani (2013) examined the influence of financial literacy on individual saving in the context of an emerging market, Malaysia. They surveyed 200 individuals in Klang Valley, Malaysia to study the relationship under investigation. They also studied other determinants of individual saving, in particular, saving regularity, risk-taking behaviour, and socio-demographic characteristics. From a Probit regression they revealed that the level of financial literacy had a significant, positive impact on individual saving. In addition, saving regularity, gender, income and educational level influenced the probability of saving positively. They further suggested that it is important for policymakers to increase financial literacy of households by implementing various financial education programmes, to further influence saving rates at the national level.

Lusardi and Mitchell (2007b) examined how financial literacy impacts people's preparedness for their retirement. Using data of elderly individuals from the Health and Retirement Survey in the US, the authors investigate whether financially literate people are more likely to plan for retirement, and whether planning have an impact on retirement wealth. Results of the study found that financial literacy increases the likelihood of planning for retirement and that people who plan for retirement have higher levels of wealth compared to people who do not plan. They show that financial literacy, by its significant effect on planning, indirectly impacts household saving behaviour.

Research has shown that people with higher knowledge of finance are more capable of preparing themselves for retirement through better saving and insurance plans. Meanwhile, Clark and D'Ambrosio (2008) showed that

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financial knowledge and saving programs can be very effective in overcoming the decrease in saving. However, the exact process that shows how learning changes the level of saving and investment decisions is not clear (Maki, 2004).

Knowledge Levels of individuals on financial literacy

The concept of risk aversion is related to financial decision making. Croson and Gneezy (2004) show that there is a significant difference in risk-taking between men and women, such that women are more risk-averse compared to men. The authors show that, in general, males are more risk-taking when they want to attract their future partner, and females are more risk-averse in their child-bearing periods (Croson&Gneezy, 2004). However, while the psychology literature indicates a significant difference in risk tolerance between different genders, research in the area of finance and economics showed that there is no gender difference in the investment behaviour (Zhong & Xiao, 1995), hence implying insignificant variations in risk-taking attitudes between genders.

Lusardi and Mitchell (2007) showed that women were usually less financially informed than men, and financial literacy was found to influence the level of saving. Researchers have shown that male and female have different risk preferences, which influence the saving and spending decisions they make (Croson&Gneezy, 2004), but there is not much information about how saving behaviours differ between males and females.

Chen and Volpe (1998) examined financial literacy amongst more than 900 students in 14 American universities. By linking the scores to individuals' socioeconomic and demographic attributes, results showed that young females with non-business majors and little work experience have very low degrees of

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financial literacy. They also concluded that income and race were not important factors in determining financial literacy. Meanwhile, in the survey of an Australian regional university, most of the participating students scored fairly well for financial literacy and knowledge. Business students, in particular, scored better in comparison with other majors (Beal &Delpachtra, 2003).

Effect of financial literacy on individuals' opinions and decisions on personal issues in finance

Financial literacy helps in engaging and instructing consumers with the objective that are knowledgeable about finance in a manner that is important to their lives and empowers them to utilise this knowledge to survey products and settle on educated choices (Mwangi &Kihiu, 2012).   Klapper and Panos (2011) researched the effect of financial literacy on the retirement saving in Russia. They found that higher literacy is emphatically identified with retirement planning and investing in private pension funds. Christelis, et al. (2010) has inferred that financially literate people utilise a mix of debt and equity and incorporate stocks in their portfolio because of their knowledge and understanding about risk diversification. De Bassa and Scheresberg (2013) clarified that the individuals who are less financially proficient are discovered to be less inclined to anticipate retirement, less inclined to amass riches, and more averse to take an interest in the stock market. Bruhn and Zia (2011) researched the effect of business and financial literacy programme on firm results of youthful entrepreneurs. The results indicate that entrepreneurs with higher levels of financial literacy show better business performance and sales. Collins (2012) finds that people with more elevated amounts of financial literacy or capacity are more inclined to use investment, insurance, and tax advice, but not debt or loan

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advice. Individuals who are financial literate have a tendency to be surer of their retirement planning when contrasted with the individuals who are financially illiterate (Mullock& Turcotte, 2012). Thus, as the individuals who are financially literate comprehend the significance of retirement planning and will subsequently collect wealth as arrangement for retirement.

Key Determinants of Financial Literacy

The level of knowledge in finance can be associated with many variables, for example, Age, gender, level of education, openness to media, sources of education on money matters, work environment, among others.

Gender

Gender has been distinguished by a few observational studies to have an association with the level of knowledge in finance. Kharchenko and Olga (2011) demonstrated that gender and riches were huge in clarifying financial literacy Ukrainian people aged 20-60, the study reasoned that males perform superior to anything females in answering the questions of financial literacy. Shaari, et al. (2013) uncovered that age and gender are adversely connected with the financial literacy. Bucher-Koenen and Lusardi (2011) inspected financial proficiency in Germany and found that knowledge of essential financial thoughts is missing among women living in East Germany. Meanwhile the findings of the study (Ford & Kent, 2010) established that female college students were more scared by, and less interested in markets contrasted with their male partners. Another study finds that women have lower financial literacy scores and are less inclined to settle on household choices contrasted with men (Fonseca, et al; 2009). Meanwhile, Khrishna, et al. (2010) find diverse things that female students have

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the financial literacy levels higher than male students, particularly with respect to knowledge in investment, credit and insurance.

Age

Chen and Volpe (1998) indicate that Participants in the age category of 20 to 29: and 40 or older show greater knowledge than the other age group. Ansong and Gyensare (2012) additionally led a study among 250 undergraduate and post graduate University of Cape Coast students, the outcomes demonstrate that age and work experience are decidedly identified with the level of financial literacy. Lusardi and Mitchell (2011) found that moderately aged is more financially proficient than youthful and old. Beckmann (2013) found that old persons are less financially literate. Whereas Bhushan and Yajulu (2013) established that financially literacy is not influenced by age. Lusardi (2012) argued that the older population displays low level of financial literacy and this will affect their financial decision-making pattern. While concentrating on financial literacy in Sweden (Almenberg&Säve-Söderbergh, 2011) observed that the highest levels of literacy are exhibited by those of 35-50 and those more established than 65 were found to perform the most noticeably awful.

Field of study

There is remarkable proof that individuals who studied economics or business courses are more luckily to be financially knowledgeable. This contention was bolstered by research of Chen and Volpe (2002); Lusardi and Mitchell (2007). Shaari, et al. (2013) examined the financial literacy among 384 university students from local Universities of Malaysia using questionnaires survey. The after effects of their study uncovered that the spending habit and year of study have a huge positive association with the financial proficiency. Chen and Volpe

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(1998) examined the personal financial literacy of 924 college student from13 campuses located in the USA. The results of the study showed that subgroups of academic discipline and class rank and were essentially diverse as far as financial literacy level.

Level of education

A few researchers find that the individuals who finished university or college degree are more inclined to be financially knowledgeable than those with low education level (Cole, et al, 2008; Cude, 2010 and Almenberg&Säve-Söderbergh, 2011). Kharchenko and Olga (2011) demonstrated that level of education was noteworthy in clarifying financial literacy of Ukrainian people aged 20-60. Anthes (2004) based on Analysis of Variance (ANOVA) tests, a constructive relationship was found between personal financial literacy and the level of education. Participants with a higher level of education have a higher level of financial literacy. In Sri Lankan, Heenkenda (2014) investigated the current pattern and the levels of divergence of the functional financial literacy using quantitative data from urban, rural and state sector, it also found that most of the respondents showed a modest financial knowledge and the functional financial literacy was truly diverse across respondents relying upon the levels of education.

Income

According to Atkinson ad Flore-Anne (2012), a high level of financial literacy is conceivable at all income levels. Income itself does not affect the capacity of somebody to pick up information, to frame states of mind helpful for their own financial wellbeing or to display positive conduct. However, low income is regularly seen as a clarification for certain practices – for example, borrowing to

make a decent living, and be used as a reason not to embrace activities, for example, saving or making long-term plans. Furthermore, low income might likewise be connected with other socio-demographic factors that have been demonstrated to be connected with financial literacy, such as age. Monticone (2010) finds that people with higher incomes are likewise more prone to be financially knowledgeable. Therefore, the people that have the lowest financial literacy scores with less education and income may be people that need financial education the most. Work by Bucher-Koenen and Lusardi (2011) in Germany found that knowledge of basic financial concepts is inadequate. In particular, those with low income in East Germany compared to their West German counterparts.

Occupation

Another important determinant of financial literacy as find by many researchers is occupation. Among Australians, executives, business owners, farm owners and professionals were find to have the highest level of financial literacy while the unemployed had the least financial knowledge. Almenberg and Säve-Söderbergh (2011) and Monticone (2010) find same for Sweden. In Italy, those with white collar jobs, the self-employed and managers are the most literate (Monticone, 2010). Cole et al. (2008) finds that among Indonesia, those who owned a non-farm enterprise had the most financial knowledge.

Nationality and Ethnic Background

With regards to ethnic background and financial literacy, Lusardi and Mitchell (2006) find out that in the US universities, Blacks and Hispanics are less knowledgeable in finance. In Australia, Worthington (2004) those with non-English speaking background is less likely to be financially knowledgeable.

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Among students in Malaysia, students from rural areas and Chinese students as well as those in their senior year had higher scores on their knowledge about their educational levels. In a research of 934 adolescents in Malaysia, where they were asked questions about consumer socialization, decision making style and socio-structural factors, suggest that Chinese youngsters, as compared to Malaysia were much less fashion-conscious, brand conscious and less recreational-oriented.

Work experience

The findings of Chen and Volpe (1998) demonstrate that in terms of participants work experience and ages, participants with more years of work experience are more knowledgeable compared to those with less experience. Ansong and Gyensare (2012) also suggest that university students who do part time job have higher financial literacy compared with non-working students. Cude in 2010 analysed successful factors on people's financial literacy; his results demonstrated that higher level of financial literacy is connected with work experience. A review of the literature on financial literacy showed that most of the studies focused on college students, teachers" ability to teach financial literacy and few demographic variables such as age and gender. This study focused on an assessment of the people in Wa Municipal" own understanding and application of financial knowledge in their personal decisions, and also combined other factors such as academic qualification, income levels, rank and work experience. This research also targets Traders, Public servants, investors in general. In the Ghanaian context, and the world, studies are rarely found that have examined the financial literacy of salaried workers using various areas of assessments.

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Bhushan and Yajulu (2013) identified that the nature of employment has a very significant effect on the level of financial literacy on the people in India. This study therefore tries to fill the gap on financial literacy among salaried workers using data from Ghana.

Summary of review and gaps identified

There have been growing literature on financial literacy (Gottschalck, 2008; Schmidt & Sevak, 2006; among others) and other studies have looked at the gender distribution of financial literacy and have showed that saving behaviour has a significant gender gap (Embrey & Fox, 1997; Yuh& Hanna, 1997). However, there has not a single study at the time of this current study on the financial literacy between males and females across various professions in the Wa Municipality. This study therefore closes that gap by investigating financial literacy among investors in the Wa Municipality of the Upper West Region in Ghana.

In terms of factors affecting an individual's financial literacy, Mahdzan and Tabiani (2013) examined the influence of financial literacy on individual saving in the context of an emerging market, Malaysiawhiles Lusardi and Mitchell (2007b) examined how financial literacy impacts people's preparedness for their retirement in the US. Apart from an interesting study by Clark and D'Ambrosio (2008) showed that financial knowledge and saving programs can be very effective in overcoming the decrease in saving and Owusu (2016) on assessing the level of financial literacy among teachers in the Sekyere East District of Ashanti Region of Ghana, there is no study that has covered such thematic area in the Wa Municipality among people of different professions. Therefore, even

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though Owusu (2016) on assessing the level of financial literacy among teachers in the Sekyere East District of Ashanti Region of Ghana, his emphasis was on only teacher and hence there is the need for this study to interrogate the determinants of financial literacy of both males and females across different professions.

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CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter would look at the strategy used for collecting and analysing the data which form the basis of this dissertation include the research design, study population, sample size and sampling technique, data collection method, data collection instrument and analysis. The rationale of this study was on financial literacy and investment decisions using the various techniques mentioned.

Research Design

Research design is the procedure for conducting a research project. Bryman (2008) indicated that a research design gives a technique for the collection and examination of data. Since the study was largely a quantitative study, explanatory study approach was used to ascertain how variables such as age, qualification, work experience and gender impact on the people of Wa municipal financial literacy level and decisions taken by them on their investments and also to show how the people of the municipality's knowledge in finance help them to make informed financial decisions. Saunders, Lewis and Thornhill (2012) indicated that explanatory studies establish the causal relationship between variables.

To examine the level of financial literacy as well as the determinants of financial literacy among investors in the Wa Municipality, a survey research design was employed. Surveys are the research instruments used in this study. Saunders, et al. (2012) described survey as typically associated with the deductive approach

and also is the technique that is mostly used for data collection. Surveys can be described as methods of data gathering in which information is put together either through oral or written questions. Oral questioning is known as interviewing while written questioning is through questionnaires. The approach employed in this dissertation was that of deductive in which predictions were made on the basis of a survey. The research approach is quantitative research. Quantitative research is, concerned with any data that is in numerical form such as statistics, percentages and the likes. It tends to put emphasis on relatively large-scale and representative sets of data, and is often, falsely in our view, presented or perceived as being about the gathering of facts (Blaxter, Hughes & Tight, 2001). Quantitative data were collected from the municipality and analysed.

Population

The total population of Wa municipal as per the 2010 population and housing census was 107, 214 and the target population of the study consist of investors, salary earners, business people and some farmers in the municipality. The study developed and validated a survey instrument that looked into and determined whether the people in the municipality are financially literate and if they take proper investment decisions.

Sample Size

A total sample of 162 people in Wa municipality was selected from a total population of 107,214 as per the 2010 population and housing census. The chosen sample of the investors was determined using the Yamane (1967) sample size determination formula $n = \dfrac{N}{1 + N(\alpha)^2}$ where n = sample size, N = total population of the Wa Municipality, α is the margin of error (which is 7.5 per

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cent). That is, $n = \dfrac{107,214}{1 + 107214(0.075)^2}$ From the computations, a total sample size

of 177 was obtained for the study but only 162 questionnaires were well duly

filled and submitted and hence a sample of 162 was used and was found to

adequate for the statistical analysis.

Sampling Procedure

The sampling technique used for this research was convenient sampling. Even

though the respondents were put into four categories of the people in the

municipality namely civil servants, teachers, business people and farmers,

convenient sampling technique was used to select them since access to a sample

frame of the investors, depositors, among others proved very difficult. This was a

consequence of the fact that most of the microfinance and investment companies

have collapsed. However, from the pieces of information gathered on the

occupational distribution of the investors, depositors, among others, the study

chose 80, 70, 30 and 20 respondents from each of the four (4) strata respectively

and conveniently.

Data Collection Instruments

The research made use of both primary and secondary data collected through the

use of questionnaire. Structured questionnaires were used to gather unbiased

opinion of respondents and guidance was provided to clarify issues to

respondents which contained forty-two questions which did not take much time

of the participants. The questionnaire was broadly categorized into ten

fundamental important aspects for the study as shown in Table 1.

Table 1: Categories in the questionnaire and their items

S/N	Category	Number of Items
1	Background Information	8
2	General Knowledge in Finance	4
3	Knowledge in Savings and Borrowing	5
4	Knowledge in investment policy	3
5	Personal Financial Management Practices	4
6	Knowledge in Insurance	3
7	Knowledge in Investment	3
8	Exposure to Financial and Monetary Issues	6
9	Personal Finance Options	4
10	Financial Management Challenges	2

Some of these questions were adapted from the survey on Financial Literacy around the world by Lusardi and Mitchell (2011). Also, participants' level of knowledge was evaluated through scoring of the responses that was gathered from the questionnaire. Likert 5-point Scale, Agree, Strongly Agree, Neutral, Disagree, Strongly Disagree and other questions that demanded certain answers in order to identify their challenges of financial management were asked.

Demographic information was also collected from participants which included, gender, age and academic records.

Multiple–source secondary data, documentary secondary data and survey–based secondary data are all kinds of secondary data (Saunders, 2009). Using the multiple source secondary data is the stratagem of using data from either documentary data sources or from survey secondary data sources or a blend of these two sources. Sources for documentary data are minutes of meetings, notices, reports to shareholders, correspondence (including emails), administrative and public records and transcripts of speeches. Survey-based secondary data, on the other hand, is the kind of data that the researcher gets when he uses the survey strategy, for example the use of questionnaires, to collect data that have already been evaluated for their original purpose (Saunders, 2009) Primary data on the profile of the respondent and evidence of their financial literacy was collected. Also, respondents provided information of why some of them are more knowledgeable than others. An advantage of using primary data is it assisted in collecting data for the specific objectives of this study. The questions for this study are tailored to elicit the specific data that answered the research questions of this study in order to achieve the specific objectives.

Data Collection Procedure

According to Saunders (2009), data are opinions, facts and statistics that have been collected and recorded for analysis and reference. Collecting data involves a systematic gathering process from various sources and for a particular purpose using media such as interviews, questionnaires, existing records, observation and electronic devices (Saunders, 2009).

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Data Analysis

According to Kothari (2004), computation of certain measures and the search for relationships or patterns existing among data groups is termed as analysis. During analysis, relationships or variances in support of or which conflict with original or new hypothesis are subjected to statistical test of significance to establish how validly the data can be said to indicate any conclusion (Kothari, 2004)., the following steps were taken to analyse the data for the study.

The study adopts both the inferential tools and the descriptive data analytical approaches in analysing quantitative data. These approaches emphasised on the use of diagrams to understand the relationship between the data sets. On the other hand, the descriptive statistics enables the researcher to describe (and compare) variables numerically. Univariate and multivariate analysis were applied. According to Bhattacherjee (2012) univariate analysis, or analysis of a single variable, refers to a set of statistical techniques that can describe the general properties of one variable. If multiple outcome variables are modelled as being predicted by the same set of predictor variables, the resulting analysis is called multivariate regression (Bhattacherjee, 2012). The frequency distribution of a variable is a summary of the frequency (or percentages) of individual values or ranges of values for that variable, such as mean and standard deviation. A comparison was made using F-Test to test financial literacy and investment decisions by the people of was municipality. Similarly, correct answers on the basis of scores regarding financial literacy was converted into percentage tested by ANOVA to find significant difference among the people of the municipality, the mean percentage of the correct score was grouped into three categories. That is, 80% and more represent a high level of knowledge on financial literacy, 55%

to 79% represent medium level of knowledge on financial literacy and below 55% also represent low level of knowledge on financial literacy. The results of the ANOVA which tested whether there was any significant difference among the three categories of respondents in terms of their financial literacy was then simplified into a binary response of respondents either being financially literate or illiterate.

In terms of the key determinant of financial literacy, the binary response variable (financial literacy) developed from the ANOVA results was then used in the logistic regression as the dependent variable, which was explained simultaneously by the independent variables (Gender, occupation, Qualification, Age, Field, Experience and Income). The logistic model takes on the following form:

$$LogitFL = Ln[p/(1-p)] = \alpha + \beta_1 GENDER + \beta_2 OCCUPATION + \beta_3 QUAL + \beta_4 AGE + \beta_5 INCO$$
$$\beta_6 FIELD + \beta_7 EXPERIENCE..$$

FL: Financial Literacy

p = the probability that the people in the municipality are knowledgeable about personal finance.

GENDER = 1 if a participant is a male, 0 otherwise.

OCCUPATION = 1 if a participant is accountant; 2 if a participant is a farmer; 3 if a participant is a trader; 4 if a participant is nurse; 5 if a participant is in none of the already indicated; 0 otherwise

QUAL (QUALIFICATION) = 1 if a participant is a diploma holder; 2 if a participant is a first-degree holder;3 if a participant is a master's degree holder; 4 if a participant has other qualifications; 0 otherwise.

AGE = 1 if a participant is in the age group 30-39;2 if a participant is in the age group 40-49; 3 if a participant is in the age group of 50 and above; 0 otherwise

INCOME = 1 if a participant is in the income group of GHS10,200- GHS 11,500; 2 if a participant is in the income group of GHS11,501 –GHS14,590; 3 if a participant is in the income group of GHS14,591 –GHS16,700;4 if a participant is in the income group of above 16,701; 0 Otherwise.

FIELD = 1 if a participant offered economics; 2 if a participant offered humanities without economics and business; 3 if a participant offered sciences; if a participant offered other disciplines; 0 otherwise.

EXPERIENCE= 1 if a participant has less than 2 years of experience; 2 if a participant has 2 to less than 4 years of experience; 3if a participant has 4 to less than 6 years of experience; 4 if a participant has 6 years and above; 0 otherwise.

Ethical Consideration

Blumberg et al. (2005) define ethics as the moral principles, norms or standards of behaviour that guide moral choices about our behaviour and our relationships with others. Research ethics therefore relates to questions about how we devise and make clear our research theme, plan our research and gain right of entry, gather data, process and store our data, analyze data and put in writing our research outcomes in a proper and responsible way (Saunders, 2007). This means

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that the researcher must make sure that the way the research is designed is both methodologically sound and ethically justifiable to all those who are involved.

To ensure that ethical issues are fully addressed, the questionnaire was prepared consistent with the School of Graduate studies ethical considerations. Permission was sought from the sampling units in the data solicitation. The researcher sought the consent and voluntary participation of the investors. Respondents were informed that participation was voluntary and at any point in time they could withdraw if they so wish. They were assured of the confidentiality of the information they had provided. The researcher took reasonable steps in maintaining the confidentiality of data provided by investors and their anonymity.

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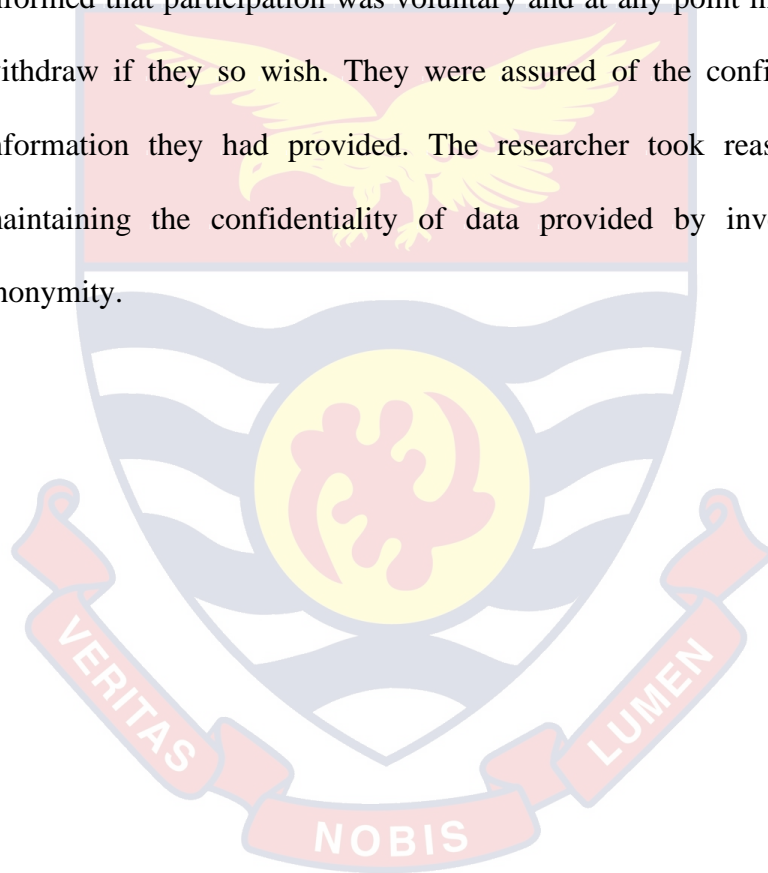
CHAPTER FOUR

RESULTS AND DISCUSSIONS

Introduction

This chapter presents and analyses the data collected from the field. The data are analysed in line with the research objectives. The survey in Wa municipality is aimed at collecting data from residents on financial literacy issues. It looked at evidence of financial literacy, why some people within the Wa municipality are more relatively knowledgeable than others and the influence of the financial knowledge on their investment decisions. A number of 177 people in the Wa municipality took part in the survey but total of 162 people responded which represent about 91.5% of questionnaires sent out.

Demographic Characteristics of Respondents

From the sample's characteristics Table 2, there were 162 respondents for the study, the males constituted the majority of 98 (60.5%) and females were 64(39.5%). The age categorization of the respondents showed that 72 (44.4) were in between 20 and 29, 65 (40.1%) were between 30 and 39, 22 (13.5%) were between 40 to 49 years and 3 (2%). People were above 50 years. The figures from the age groups suggested that majority of the respondents, 72 (44.4%) were between 20 and 29 years. Hence, majority of the people in the municipality under study are considered youthful and therefore are not exposed to real life situations and do not attach much importance to issues of personal finance. On the qualification of the people who responded to the savour in the municipality showed that, majority of them 98 (60.5%) had attained their first degrees followed by 45 (28%) had Diploma, whiles 6 (4%) completed WAEC/WASSCE

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and 12 (7.4%) obtained masters degrees. 1(0.61%) of the respondents did not have an educational background but was assisted in responding to the questionnaire. Once the respondents attained some educational qualifications, there was the need to find out their occupations and the survey showed that, most of the people in the municipality who responded were teachers; 72(44.4%), 46 (28.4%) were also accountants, 17 (10.5%) were traders. Whiles, 13(8.02%) respondents were farmers within the municipality. 11 (7%) were nurses and 3 (2%) were unemployed.

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Table 2: Demographic Characteristics of Respondents

Variable	Frequency	Percentage
Gender		
Male	98	**60.5**
Female	64	39.5
Ages		
20-29	72	44.4
30-39	65	40.1
40-49	22	13.5
50 and above	3	2
Highest Qualification		
First degree	98	60.5
Masters	12	7.4
Diploma	45	28
WAEC/WASSCE	6	4
Others	1	0.61
Occupation		
Teacher	72	44.4
Accountant	46	28.4
Trader	17	10.5
Farmer	13	8.02
Nurse	11	7
Others	3	2
Income Level		
GhȻ9,600	53	33
GhȻ10,200-11,500	19	12
GhȻ12350-14,590	19	12

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GhC14,300-16,700	39	24.07
GhC18,000 and above	32	20
Working Experience		
None	23	14
Less than 2 years	32	20
Two to less than 4 years	30	19
Four to less than 6 years	18	11
Six years and above	59	36
Field of Study		
Business	70	43.1
Economics	17	10.5
Humanities	29	18
Sciences	21	13
Others	25	15.4

Source: Field survey (2018)

Overall Results of the Survey

The overall results are presented in Table 4 below. The mean percentage of correct scores was categorised as over 80 is high, 79-60 is medium and below 60 is low. The highest score was presented first, which was followed by lower scores within each section. The overall mean percentage of correct scores was 49.6%, indicating on average the participants answered only about half of the survey questions correctly. The median percentage of correct scores was 40.7%. The findings suggest and imply that the knowledge of the people in the municipality on personal finance is inadequate. The low level of knowledge was attributed mainly by the lack of a sound personal finance planning (48.74%) and budgetary preparation (50%). Most of the people in the Wa municipality did not plan their

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finances adequately which do affect their expenses and savings habits negatively.

Respondents Financial and Money Management

Money management is vital especially in the Wa municipality and in this competitive financial environment including exposure to financial and monetary issues, kinds of financial account, how often the people in the municipality check their investments and the like.

Types of financial account

The study analysed the kind of financial accounts kept by the people in the municipality. The result showed that 77.1% of the respondents maintained that savings account followed by 15% current account while 7.4% invested on fixed deposit, stocks and bonds having 0% and 0.6% respectively. This observation revealed that the people in the municipality prefer savings, fixed deposit and current account as a way of keeping their monies. With regards to other forms where the people prefer less, the results are presented in Figure 2 below.

Percentage Iof IRespondents

■Savings ■Current ■Fixed ■Stock ■Bond
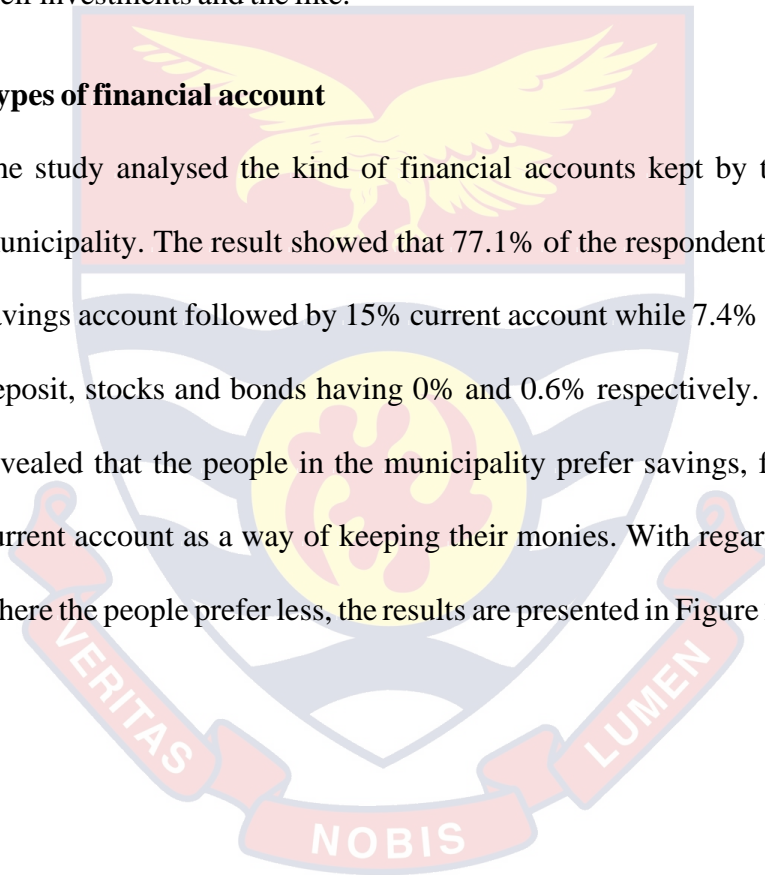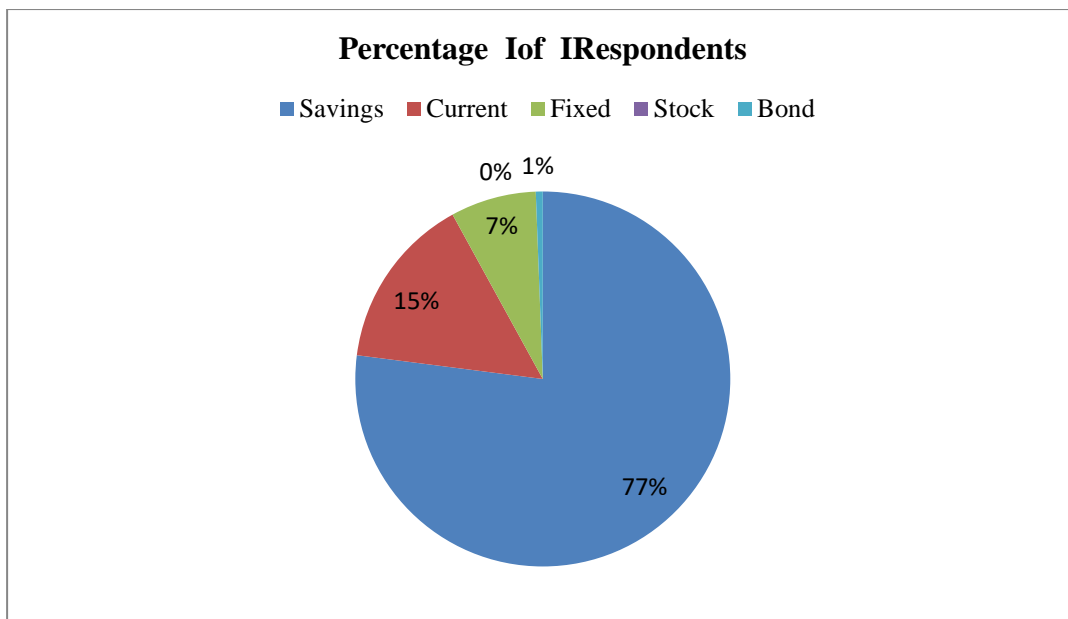
Figure 2: Types of Financial Account by Respondents

Source: Field Survey (2018)

Frequency at which Individuals Check their Investment

The frequency at which participants do check the status of their investments on various financial institutions was presented in Table 3 below. The results indicated that majority of the participants (38.3 %) had never checked their investments on various financial institutions and which is not a good financial practice. However, 35.0% check once in a year whilst 4.0% do so every two years, 5.0% of the respondents check their investments daily and 18.0% also do so every week.

Table 3: Frequency at which Investors check their Investments

Frequency	Frequency	Percentages
Once a year	57	35.0
Every two years	6	5.0
Daily	8	4.0

Every week	29	18.0
Never	62	38.3

Source: Field survey(2018)**.**

Other Insurance Policies Held by Individuals

The results at Figure 2 showed that 32 (20%) of respondents said they had other forms of insurance policies such as third party and health insurance, whiles 130 (80%) of the respondents said they did not subscribe to any other forms of insurance. The result is not encouraging and therefore the benefits of owning an insurance product must be explained to the respondents so that they will embrace the idea of having insurance policies.
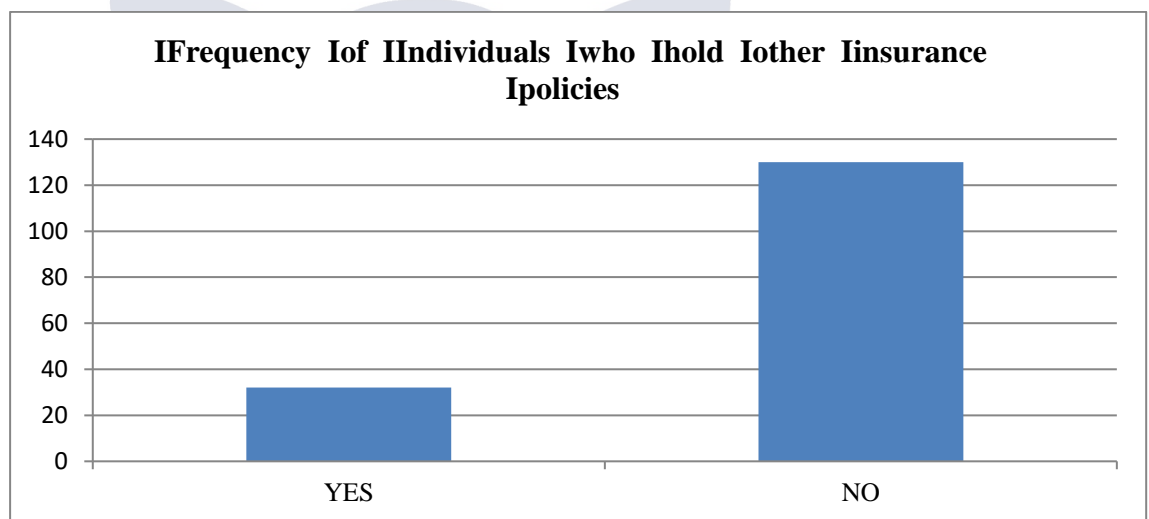
Figure 3: Other Insurance Policies held by Individuals

Source: Field Survey, 2018

Types of Insurance Policy Respondents Hold

The respondents were further requested to indicate the type of insurance policies they have. The results presented in Table 4 indicate that 78 (48%) of the Participants had child education policy, 34(20%) have retirement plan while

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23(14%) had fire and flood policy. Interestingly few respondents were concerned about lives and therefore had life assurance policies and funeral plan representing 18(11%) and 9(6%) respectively.

Table 4: Types of Insurance Policies Individuals Hold

Types of Insurance Policy	Frequency	Percentage
Child education	78	48%
Retirement plan	34	20%
Fire and flood policy	23	14%
Life assurance	18	11%
Funeral plan	6	6%

Sources: Field survey (2018).

Perceptions about Provisions under Health insurance

It is generally believed that perceptions about what exact provisions a health insurance policy covers could attract potential policy holders. To this end, the study highlighted discussions on these issues and the results are presented on Table 5.

Table 5: Perceptions about Provisions under Health insurance

Statement	Frequency	Percentage %
Insurance against illness or bodily injury	35	22%

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Insurance coverage for medicine and visit to the doctor	16	10%
Insurance for hospital stays and medical expenses	43	27%
All of the above	68	42%

Source: Field survey (2018).

The study sought to find out how the people of the municipality thought about Health Insurance. The result as presented in Table 5 revealed that 35 (22%) of respondents' define health insurance as insurance against illness or bodily injury, 16 (10.0%) explained health insurance as coverage for medicine and visit to the hospital, 43 (27%) said health insurance is for hospital stays and medical expenses and 68(42%) said Health insurance can best be described by all the above definitions. This observation showed that some of the people in the municipality are more concerned about insurance policies, therefore insurance companies that are not in the region should move in to the municipality and open offices to enable the people have accesses to other insurance policies.

Sources of Knowledge on Personal Financing

The people in the municipality learn about personal financial knowledge from several sources but predominately from Financial Institutions and books as reported by Figure 4, about (40.12%) of the people who participated in the survey head about knowledge on financing through financial institutions, 19.13% of the people got their source of information on personal financing at their various work places and also learn from friends on their personal financing with 4.32% and life experience 8.64% respectively. astonishingly the people source of knowledge from the media was very low at 2.46%, therefore the media

must step up its social responsibility of providing information on finance. The

source from others was at 10.4%
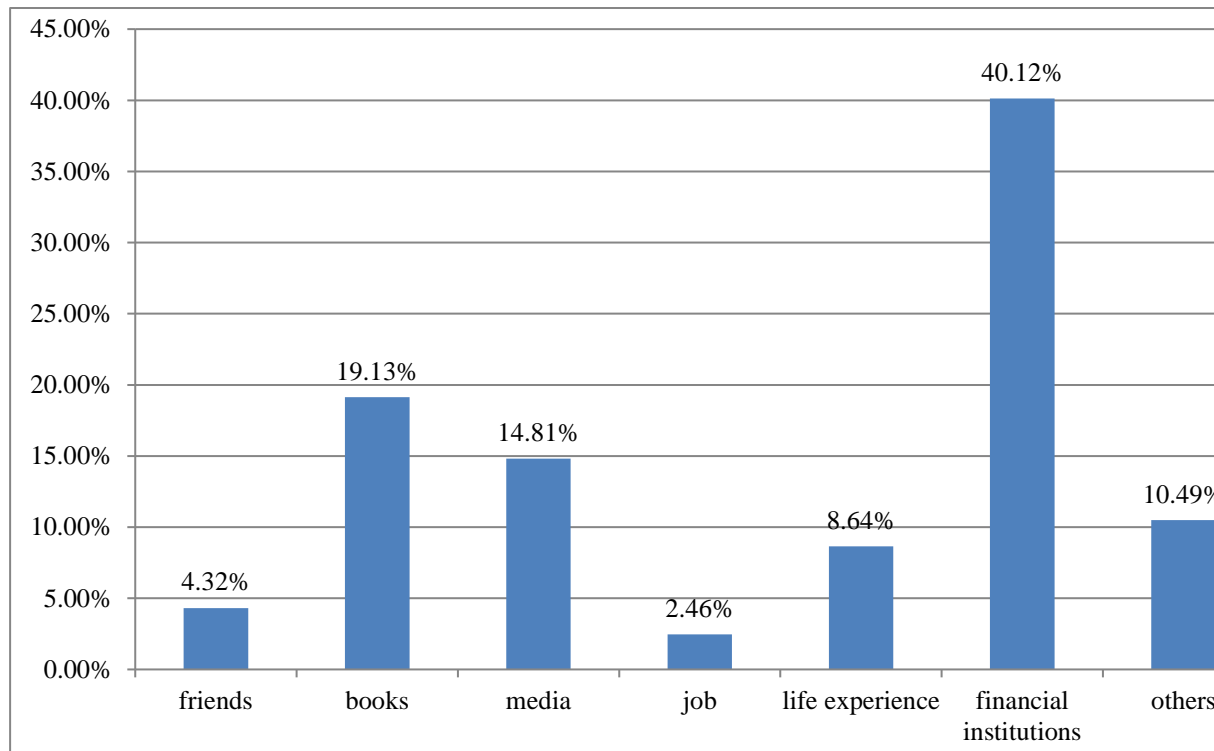
Figure 4:   Source of Knowledge on Personal FinancingSource: Field Survey, 2018.

Financial Management Challenges

One of the key financial management challenges for individuals is their ability to

forgo current consumption so as to save extra income for future investment or

consumption. Therefore, the study explored the percentage of income saved by

the respondents against the respective frequencies and percentages. The results

are presented on Table 6.

Table 6: Percentage of Income Save

Percentage of Income Saved	Frequency	Percentage %
10%	62	38.3%
15%	31	19.13%

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120%	4	2.46%
25%	30	18.5%
Not at all	35	21.6%

Source: Field survey (2018).

The choice to save and the percentage of income to save were influenced by a number of factors and therefore individuals with different financial strength, financial discipline and saving culture had different percentage of their income they will save. 62 (38.3%) of the people will save 10% and 35 (21.6%) do not save any percentage of their income while 31 (19.13%) saves 15% of their income and about 30 (18.5%) also save 5% of their income while 4 (2.46%) save 120% of their income as indicated in Table 6 above.

Items Constituting Spending Behaviour of Individuals

When consumers incur expenditure for transactionary purposes, a number of items usually constitute their food basket. These items range from food, clothing, transport, books and recreational activities. The study analysed these results are presented on Figure 5.
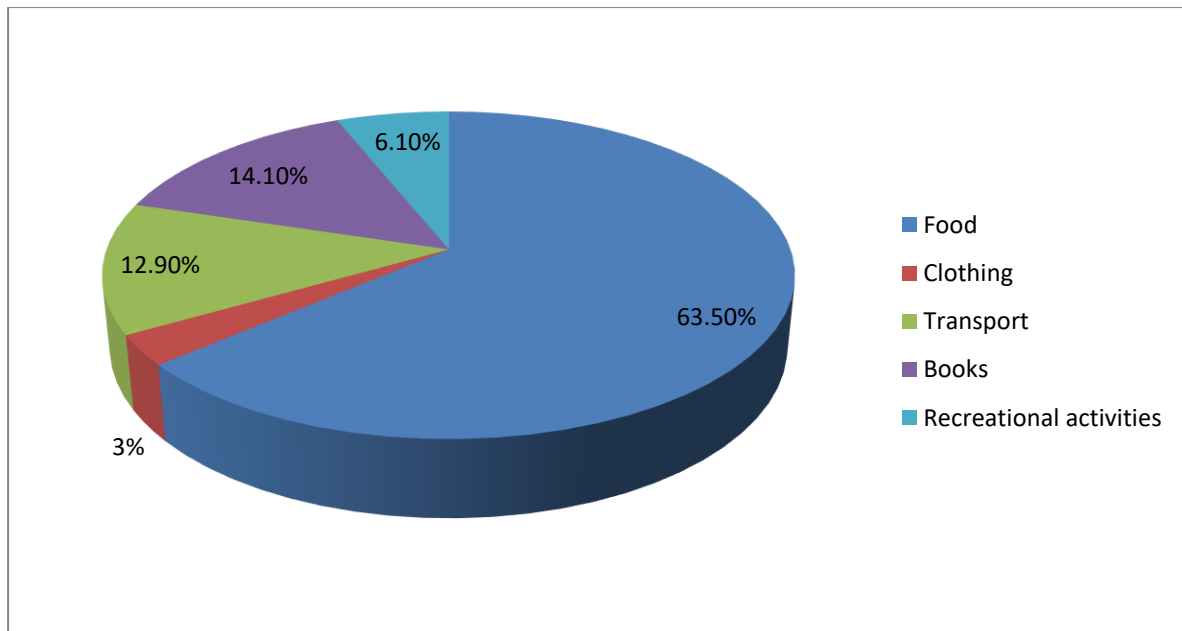
Figure 5: Items Constituting Spending Behaviour of Individuals

Source: Field survey, 2018.

The spending behaviour is essential in analysing financial management of the people in the municipality. The study ascertained the spending behaviour of respondents. As presented in Figure 5, majority (63.50%) of the people spent on food, 14.10% on clothing, 12.90% on transport, 6% on recreational activities and 3% on clothing. This suggested that the people in the municipality spend much of their money on food which is a basic need for human survival.

Examining Respondents Understanding and General Knowledge in Finance in the Wa Municipality

Generally, people concern is making money and how to make the money, knowing how to spend it judiciously. Spending the money is always the difficult aspect. In Table 7 the respondents in the municipality general knowledge in finance is presented. The people in the municipality demonstrated a low general knowledge in finance with a mean score of 50.45 percent.

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Respondents Knowledge in savings and borrowing has a direct and indirect effect on individual's future financial status. Those that are knowledgeable and more disciplined at savings are more likely to be financially sound and avoid unnecessary borrowing. In Table 7, the people in the municipality knowledge in savings and borrowing are presented. Respondents scored a mean mark of 74.96%. They are a little bit knowledgeable with the issue of savings and borrowing because most of them rely on savings as a form of precautionary motive of holding cash. They also depend on loans and overdrafts to meet their short-term financing, and as a result learn more on these issues. This finding is in line with numerous studies particularly that of Jappelli (2010) and Beckmann (2013) who have connected financial illiteracy with low levels of savings. Furthermore, the finding is corroborated by that of Hartaska and Gonzalez-Vega who found that people who received financial counselling had a lower default hazard, although repayment frequency was not greatly affected. Also consistent are the findings of (Courchane& Zorn, 2005) that showed a causal link from financial knowledge to financial behaviour, and link this behaviour to credit outcomes.

Respondents Knowledge in Investment

Most people are deficient in understanding financial markets and how to commence an investment programme. More importantly, they may not recognize the importance of investing, which is to build wealth and financial security by ensuring the money they earn also has earning power. Correspondingly, the people in the municipality fall in that category of people who are considered to have lack of understanding of investment issues with a

mean score of 53%. This study concludes that the people in the municipality knowledge on investment are inadequate.

Respondents Knowledge in Insurance

The issues on the people knowledge in insurance in the municipality as indicated in Table 7, it clearly depicted that their knowledge in insurance is lucking with a mean of 26.7%. This could be attributed to the fact that the concept of insurance has not developed in the municipality. Furthermore, the lack of trust in insurance companies to indemnify their customers could be a reason for the lower level of knowledge in insurance.

Respondents knowledge on kinds of investment

The respondents were further requested to indicate their knowledge on the kinds of investment they have with the various financial institutions. The results presented in Figure 6indicate that the mean score is 43% which is very low. From the percentages above one can say that most of the people in the municipality do not really have knowledge on investment policies and there is the need for the RCC and the Municipal Assembly to step up and educate the people on investment policies and the benefits they stand to again on their investment.

Table 7: Classification of Individuals Based on Level of Personnel Finance Knowledge

Variable	Low Blow 60%	Medium 60-79%	High 80% and above
General knowledge			
Personal financial literacy	41.35		
Personal financial planning	48.76		

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Personal budget	50	
Convert to cash		61.7
Mean correct response for the section	**50.45**	
Median correct response for the section	**49.38**	
knowledge in saving and borrowing		
Higher interest charge		74
Credit worthiness		71.6
Loan guarantor		62.34
Overdraft occur when		91.9
Mean correct responds for the section	**74.96**	
Median correct responds for the section	**66.97**	
Knowledge on investment		
Investment strategy		92.5
Short term investment	40.7	
Investment portfolio	25.9	
Mean correct responds for the section	**53**	
Median correct responds for the section	**40.7**	
Knowledge in insurance		
Health insurance	26.5	
Life insurance	30.8	
A home made of wood	22.8	

Mean correct responds for the section	**26.7**
Median correct responds for the section	**30.8**
Knowledge on kind of investments	
Investment with financial institution	39.5
Kind of policy with the financial institution	48
Investment duration	41.9
Mean correct responds for the section	**43**
Median correct responds for the section	**48**
Mean correct response for the entire survey	**49.6**
Median correct response for the entire survey	**40.7**

Source: Field survey (2018).

Analysis of the Knowledge levels of Individuals in terms of Financial Issues in the Wa Municipality

In this section, the researcher assessed the relationship between personal financial literacy and participants' qualification, age group, income level, years of experience, field of expertise and gender are examined. Table 8 showed the mean correct response for General Knowledge, Savings and Borrowing, Insurance and Investment sections and the whole survey by subgroups. The existence of any difference in knowledge among the various subgroups would be examined using ANOVA.

Table 8: Mean Percentage of Correct Response to Each Section by Characteristic of Sample Results of ANOVA

Variable	GK	SAV/BRW	INV.	INS.	SAMPI
Gender					
Male	61.11	59.26	59.88	59.88	59.60%
Female	38.89	40.74	40.12	40.12	40.30%
F-Statistics	1.57	1.46	1.49	1.49	1.48*
Qualification					
WASCE	32.10	30.25	33.95	37.65	33.90%
Diploma	29.77	24.69	28.40	27.16	26.70%
First Degree	57.41	55.56	53.70	48.15	52.50%
Masters	46.30	43.83	42.59	35.80	40.70%
F-Statistics	1.68	1.81	1.55	1.30	1.54*
Age					
20-29	45.68	48.15	45.68	39.51	44.30%
30-39	37.04	37.04	35.80	37.04	61.40%
40-49	16.67	17.28	14.81	23.46	40.20%
50 And Above	45.68	48.15	45.68	39.51	52.70%
F-Statistics	0.23	0.442	0.34	0.22	0.27*
Occupation					
Teacher	30.86	30.86	30.86	30.86	72.1%
Accountant	28.40	28.40	28.40	28.40	32.2%
Trader	13.58	12.96	13.58	13.58	50.1%
Farmer	6.79	8.02	7.41	7.41	31.7%
Nurse	9.26	9.26	9.26	9.26	32.6%
F-Statistics	0.12	0.72	0.44	0.12	0.42*
Income					
GhC9,600	33.33	32.10	32.10	31.48	55.40%
GhC10,200-11,500	13.58	13.58	14.81	13.58	22.40%
GhC12,350-14,590	11.73	12.35	16.67	14.20	46.00%
GhC14,600-16,700	22.22	22.22	17.28	21.60	29.40%
GhC18,400 & Above	19.14	19.75	19.14	22.22	55.60%
F-Statistics	0.53	0.51	0.16	0.42	7.22*
Working Experience					
Less Than 2 Years	56.17	58.02	58.02	68.79	34.20%
Two to Less Than 4 Years	43.83	41.98	41.98	44.44	39.70%
Four to Less Than 6 Years	55.56	35.17	28.21	38.27	62.10%
Six Years and Above	44.44	43.83	32.10	19.14	47.30%
F-Statistics	0.28	0.29	0.45	0.40	0.03
Field of Study					

Business	61.73	59.26	53.70	61.11	43.30%
Economics	30.86	44.44	45.68	38.89	25%
Humanities	55.56	28.40	38.27	32.10	57%
Science	31.48	21.60	19.75	29.01	61%
Others	28.40	12.96	16.67	16.05	24%
F-Statistics	1.78	1.89	2.55	2.30	2.54*

Source: Field survey (2018).Significant level of 0.05

Financial Literacy and Respondents' Qualification

The educational background of participants had a very significant impact on their knowledge. The results of the entire survey showed that participants with First Degrees were more knowledgeable, followed by Master's Degree holders with Diploma holders being the least knowledgeable. Thus; on the average, Diploma holders answered 26.70% of the questions right, while those that completed WACE answered 33.90 of the questions right and the First-Degree holders scored 52.50% and the Master's Degree holders 40.70%. The significant difference in the knowledge level of the participants was statistically significant at the 0.05 level from the ANOVA as indicated in the Table 8. Findings of educational level are quite similar to previous studies such as Cole, et al., (2008), Cude, (2010) andAlmenberg and Säve-Söderbergh, (2011).

Financial Literacy Level and Respondents' Gender

The findings also revealed that male participants were more knowledgeable in finance than their female counterparts. The male participants scored an average of 59.60% as against 40.30% for females and this was significant at a 0.05 level of significance as shown by the ANOVA test results. The finding that females scored lower than males was consistent with existing literature (Ford & Kent, 2010; Kharchenko and Olga, 2011; Fonseca, et al. 2009).

Financial Literacy Level and Respondents' Age

The results further suggested that participants in the 30 to 39 age group were more knowledgeable than the other age groups as they scored the highest correct responses both section wise and on the entire survey of 61.40% compared to those in age 50 and above with entire score of 52.70%. This finding is similar to that of Almenberg and Säve-Söderbergh (2011) who observed that the highest levels of financial literacy were demonstrated by those of 35-50 and contradict the findings of Bhushan and Yajulu (2013) who demonstrated that financially literacy was not influenced by age.

Financial literacy level and respondents' work experience

The findings also indicated that, participants with more years of working experience in the municipality were observed to be more knowledgeable than those with less experience. Participants who had four years to six years of experience (62.1%) and those with six years and above (47.3%). The findings support the result of Cude (2010) as he stated in his report that people's financial literacy was connected with work experience.

Financial literacy level and respondents' field of study

Strangely Participants who studied Economics and others as their major areas are less knowledgeable than the other fields per this survey. Participants with science, Humanities and Business background scored the highest. Those that studied Economics obtained 25% and those who studied other field scored 24% mean correct responses respectively while those that studied Science scored 61% and those that studied Humanities also obtained 57% with those that studied Business scored 43.30%.This view was contradicted by research of Chen and

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Volpe (2002) and Lusardi and Mitchell (2007) that revealed that those that study economics are more knowledgeable in finance

Financial literacy level and respondents' income level

Previous researchers stated that there was a positive relationship between income level difference and financial literacy (Atkinson &Flore-Anne, 2012; Monticone, 2010; and Bucher-Koenen& Lusardi, 2011). The findings did not show significant difference in financial knowledge and income level. Those with income between GH¢ 9,600 and GH¢ 10, 200 have overall score of 55.4% compared to those who earned between GH¢ 18,400and above score of 53.92%. It also revealed that those with income level between GH¢ 12,300 and GH¢ 14,600 score 46% and those between the range of GH¢ 14,600 and GH¢ 16,700 score 29.4%.

Financial Literacy Level and Respondents' Occupation

The survey findings also indicated occupation status of participants within the municipality showed significant difference in their financial knowledge. The overall mean for the sample for teachers 72.1% compared to 50.1% for traders, accountant overall mean score was 32.2% and farmers obtained a score of 31.7% as their overall mean score

Determining Logistic Regression Analysis for Variables Predicting

Financial Knowledge

From the Table 9 of coefficients, the results indicated that variables such as gender of the teacher, qualification, working experience were observed to be significant in predicting or determining the knowledge of the people in finance. However, Age, income, occupation and field of study were not significant. From

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the significant variables, odd of more financial knowledge for a male in the municipality was likely to be 0.181 times higher than their female colleagues. This is consistent with Kharchenko and Olga (2011) who demonstrated that gender and riches were huge in clarifying financial literacy Ukrainian people aged 20-60, the study reasoned that males perform superior to anything females in answering the questions of financial literacy. Shaari, et al. (2013) further uncovered that age and gender are adversely connected with the financial literacy.

However, the odds of a Diploma holder were likely to be 1.376 times lower than the First-Degree holder. This finding is corroborated by Kharchenko and Olga (2011) who demonstrated that level of education was noteworthy in clarifying financial literacy of Ukrainian people aged 20-60. Anthes (2004) based on Analysis of Variance (ANOVA) tests, a constructive relationship was found between personal financial literacy and the level of education

Correspondingly, the odds of the people working experience were likely to be 6.129 times higher than the others. These findings are in line with that of Ansong and Gyensare (2012) who additionally led a study among 250 undergraduate and post graduate University of Cape Coast students and found that work experience is decidedly identified with the level of financial literacy.

Table 9: Summary of Logistic Regression Analysis for Variables Predicting Financial Knowledge

Variables	B	S.E.	Wald	df	Sig.	Exp(B)
Gender(Male)	-1.709	0.624	1.022	1	0.006***	0.181
Age:			0.000	3	1.000	
Age(30-39)	0.698	2.707	0.000	1	0.796	2.010
Age(40-49)	1.803	2.236	0.000	1	0.420	6.068
Age(50 and above)	1.495	1.849	0.000	1	0.419	4.459
Income:			0.000	4	1.000	

Income(Ghc 10,200-GHc11,500)	4.501	3.254	0.000	1	0.167	90.107
Income(GHc11,501-GHc14,590)	8.347	5.100	0.000	1	0.102	4217.50
Income(GHc14,591-GH16,700)	-4.942	6298.921	0.000	1	0.999	0.001
Income (GHc 16,701 and above)	-9.210	9.937	0.000	1	0.184	0.000
Qualification:			6.645	4	0.156	
Qual(Diploma)	0.319	0.628	0.258	1	0.611	1.376
Qual(First Degree)	1.348	0.650	4.300	1	0.038**	3.848
Qual (Masters)	0.501	0.628	0.638	1	0.424	1.651
Qual(Others)	1.201	0.637	3.558	1	0.059*	3.322
Occupation:			1.541	5	0.908	
Occupation(Accountant)	-0.005	0.631	0.000	1	0.994	0.995
Occupation(Trader)	-0.263	0.700	0.142	1	0.707	0.768
Occupation(Farmer)	-0.365	0.686	0.283	1	0.595	0.694
Occupation(Nurse)	-0.608	0.665	0.837	1	0.360	0.544
Occupation (None of the above)	0.118	1.083	0.012	1	0.914	1.125
Working Experience:			5.345	4	0.254	
Ex (Less than 2 years)	2.004	1.199	2.794	1	0.095*	7.419
Ex(Two to less than 4 years)	2.242	1.164	3.710	1	0.054*	9.412
Ex(Four to less than 6 years)	2.490	1.197	4.329	1	0.037**	12.061
Ex(6 years or more)	1.813	1.140	2.529	1	0.112	6.129
Field of study:			1.736	4	0.784	
Field(Economics)	-0.687	0.686	1.004	1	0.316	0.503
Field(Humanities other than A and B)	-0.631	0.641	0.971	1	0.324	0.532
Field(Sciences)	-0.829	0.757	1.200	1	0.273	0.437
Field (Others)	-0.279	0.663	0.177	1	0.674	0.757
Constant	3.408	10.860	0.000	1	0.700	30.205

Note: *, **, *** represent 10%, 5% and 1% level of significance respectively
Source: Author's computation, 2018.

CHAPTER FIVE

SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION

Introduction

This section of the research work provides the synopsis of the findings from the study, conclusions drawn from the analysis of data on the people of WaMunicipality. More so, some recommendations are suggested with respect to the major findings on the financial literacy, the challenges and the way forward to improving the people of WaMunicipal financial knowledge, the Upper West Region and the country so as to ensure proper and efficient financial management practices among the people.

Summary of Findings

Following the collapse of numerous investments and Micro-financial institutions in the Wa Municipality over the last few years which affected many households and businesses, there has been a need to understand the financial literacy levels of the people. However, there has been very little research efforts to dissect the real causes of the crisis from the angle of the clients. This study sought to investigate financial literacy and investment decisionsin the Wa Municipality of the Upper West Region of Ghana. In particular, the study specifically examined the levels of understanding and knowledge of individuals in savings and borrowing, investment and insurance in Wa Municipality and to estimate the key determinants of financial literacy in theWa Municipality. This study was a quantitative research which employed both descriptive and inferential statistics with a cross sectional design. The target population of the study consisted of investors, salary earners, business people and some workers of financial institutions in the municipality. Sample of 162 people were stratified but selected

using convenience sampling. A questionnaire was employed and data was analysed using Analysis of Variance and Logistic Regression analyses.

The findings on the overall financial literacy of the people show that the people in the municipality have inadequate or low financial literacy. The findings on the people general financial knowledge were low but the people demonstrated some considerable financial knowledge on savings and borrowing. Again, they also have poor knowledge on the kinds of investment portfolios availablethough with some appreciable level of understanding on insurance. The results on the evaluation of the people in relation to examining their understanding of general financial knowledge, savings and borrowing, investment, insurance and income show clearly that, the people in the municipality lack some basic financial literacy skills

More so, in terms of the variations in financial literacy across different individuals, some demographic characteristics such asyears ofworking experience, occupation, income, qualification and among others are very significant. The results showed some financial literacy (knowledge) difference among the people in the municipality.

Those with First Degrees were found to be more knowledgeable than those with lower level qualifications. Gender wise, males in the municipality are more financially knowledgeable than their female counterparts whereas years of working experience of the people in the municipality was also taken into consideration. It turned out that those with less years of working experience are more acquainted with financial issues than those with more years of working experience. Also, field of study of individuals was also found to be significant

determinant of financial literacy with Science background surprisingly having more understanding than those with the Humanities and Business. Young-aged individuals were also found to be financially literate than elderly ones. Individuals with low income levels were also identified to be more literate on financial issues than higher income earners.

Conclusions

- In conclusion, the financial literacy level of the respondents in the Wa municipality could be said to be insufficient. This lack of adequate financial knowledge in the long run has far reaching consequences on the people in the municipality as it is observed that, their knowledge on insurance and investment hasnot been that good which in the long term will affect the people's financial decisions making and planning in the municipality. This has policy implications and requires the needed attention to address it. Also, gender, qualification and working experience are the main drivers of knowledge on financial issues.

- With regards to the knowledge levels of individuals based on financial issues, a number of determining factors were identified. The significant determinants are gender, educational qualification, age, occupation, income and field of study. These can be considered when designing campaigns to promote financial literacy.

- There is generally a neutral effect of financial literacy on opinions and behaviour of individuals in the Wa Municipality. This is indicative of the wide-scale nature of insufficient financial literacy among the people. This implies that until deliberate effort is made to educate them on

financial issues, the people will continue to remain vulnerable to the activities of ponzi schemes.

Recommendations

- Since financial literacy levels among the people was found to be very low, the study recommends that, the Regional Coordinating Council, the Wa Municipal Assembly, Bank of Ghana and other financial institutions should develop educational programmes with a motive to promotingfinancial education that will equip them enough such that they can easily separate ponzi schemes from potentially real lucrative investment portfolios.

- Since gender, qualification and working experience were found to be the main drivers of knowledge on financial issues, the formulation of educational campaigns should take into account these factors so as to enhance their success. More so, since it was found that those with Science background were more financially literate than those with Business and Economics backgrounds, it shows that the Business and Economics academic programmes in schools do not introduce students to the management of personal finances and investment issues. Hence, financial literacy should be incorporated in these programmes.

- The significant factors that underlie the classifications of people on financial literacy are based on gender, educational qualification, age, occupation, income and field of study. This implies that there is widespread financial illiteracy and hence the Bank of Ghana should formulate effective macro prudential policies that will not only clean up the financial sector of existing ponzi schemes but will also ensure that

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such dubious financial institutions do not acquire license to operate in the first place.

- Since the study found that because financial literacy is low, it has a neutral effect on their opinions and behaviour, the promotion of financial literacy should be enhanced in such a way that it influences individuals' behaviour in terms of savings and record keeping which are useful for making investment decisions.

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APPENDIXES

QUETIONNAIRE

UNIVERSITY OF CAPE COAST GRADUATE STUDIES (SCHOOL OF BUSINESS) MBA (SANDWICH) QUESTIONNAIRE TOPIC: FINANCIAL ILLITERACY AND INVESTMENT DECISIONS: A CASE STUDY OF WA MUNICIPALITY

DIRECTIONS: Please indicate your response to each question by selecting the most appropriate answer for each question.

I. **BACKGROUND INFORMATION**

1. What is your highest qualification? A. WASCE B. Diploma C. First Degree D. Masters E. Others,(Specify)……………………………………………………..

2. What is your gender? A. Male B. Female

3. What is your age? A. 20-29 B. 30-39 C. 40-49 D. 50 and above

4. What is your occupation? A. Teacher B. Accountant C. Trader D. Farmer E. Nurse F. None of the above

5. Which of the following best describes your personal income (monies that comes into your hand for personal use) for last year? A. GHS 9,600 B. GHS 10,200 – GHS 11,500 C. GHS 12,350 – GHS 14,590 D. GHS 14,300 – GHS 16,700 E. Above 16,701

6. Are you married? A. Yes B. No

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7. How many years of working experience do you have? Include full or part-time experience etc. A. None B. Less than 2 years C. Two to less than 4 years D. Four to less than 6 years E. Six years or more

8. What was your field of study at the highest level? A. Business B. Economics C. Humanities (arts, social sciences, language etc.) other than A & B D. Sciences E. Others, specify…………………………………………………………..

II. GENERAL KNOWLEDGE IN PERSONAL FINANCE

9. Personal finance literacy can help you A. Learn the right Approach B. Lead a financially secure life by forming healthy spending habit C. Choose the best investment policy. D. Do all above D. Do not know

10. Personal financial planning involves A. Establishing an adequate financial record keeping system. B. Developing a sound yearly budget of expenses and income. C. Preparing plans for future financial needs and goals. D. All of the above. E. Do not know.

11. A personal budget will help you A. Allocate future personal income towards expenses B. Prioritise your spending C. Monitor the source of your income D. All of the above

12. Which of these can be turned into cash more easily? A. Money in a fixed deposit account B. Money in a current account C. A car D. A computer E. Do not know

III. KNOWLEDGE IN SAVINGS AND BORROWING

13. Which account usually pays the most interest? A. Fixed Deposit Account B. Savings Account C. Current Account D. Do not know

14. Suppose you had GHS100.00 in a savings account and the interest rate was 10 per cent per year. After 1 year, how much do you think you would have in your account? A. More than a GHS110.00 B. Exactly GHS110.00 C. Less than a GHS110.00 D. The same as your savings of GHS100.00 E. Do not know

15. If you guarantee a loan for a friend, then A. You become responsible for the loan if your friend defaults B. It means that your friend receives the loan by himself C. You are entitled to receive part of the loan D. Do not know

16. The MOST important factor that a lender uses when deciding whether to approve a loan A. Marital Status B. Education and Occupation C. Bill-paying record and income D. Age and gender E. Other (please specify)..

17. An overdraft occurs when A. You received money into your account B. When a customer is allowed to withdraw more than his current balance C. Borrowing large amount of money from a friend D. Do not know

IV. KNOWLEDGE ON INVESTMENT

18. Which of the following financial institutions do you save? A. NIB and GCB B. DKM and western Investment (two years ago) C. Bayport and Utrak savings and loans LMT D. Barclays Bank, ADB and Stanbic bank E. Not at all

19. What kind of policy do you have with any of the above financial institutions now or last two years? A. Savings account B. Investment at DKM two years ago C. Current Account D. Treasury bills E. Do not know

20. What was the duration of the investment? A. 3 months B. 6 months C. 1 year D. Two years E. Do not know

V. PERSONAL FINANCIAL MANAGEMENT PRACTICES

21. I regularly set aside money each month for savings and future needs. A. Always B. Not often C. Very often D. Not at all

22. I compare prices when shopping for major expenses. . A. Always B. Not often C. Very often D. Not at all

23. I use a spending plan or budget. A. Always B. Not often C. Very often D. Not at all

24. I always keep track of my expenditure and income. A. Always B. Not often C. Very often D. Not at all

VI. KNOWLEDGE IN INSURANCE

25. Health insurance provides A. Insurance against illness or bodily injury B. Insurance coverage for medicine and visits to the doctor C. Insurance for hospital stays and other medical expenses D. All of the above

26. Life assurance products include the following except A. Children welfare plan B. Funeral plan C. Retirement insurance plan D. Theft insurance plan E. Do not know

27. A home made of wood will be more expensive to insure than a comparable brick structure A. True B. False C. Do not know

VII. KNOWLEDGE IN INVESTMENT

28. Investment refers to A. Purchase of financial asset B. Borrowing of money C. Saving money under your bed D. buying a set of living room chairs

29. If you invest GHS2, 000.00 at 30% for a year, your balance in a year will be A. Higher if the interest is compounded daily rather than monthly B. Higher if the interest rate is compounded quarterly rather than weekly C. Higher if the interest rate is compounded yearly rather than quarterly D. GHS2, 600.00 no matter how the interest is computed E. Do not know

30. Which of these is short term investment? A. Shares B. Treasury bill C. Bonds D. Mortgage E. Do not know

VIII. **EXPOSURE TO FINANCIAL AND MONETARY ISSUES**

31. Have you lived in wa for the rest of your life? …………………………………………………………

32. What kind of financial accounts do you have? (Tic all that apply) Savings [ ] current account [ ] fixed deposit [ ]   mutual fund [ ] stock [ ] bond [ ] other(s) (specify): …………………………………………………

33. How often do you check your investment? A. Once a year B. Every two years C.Daily D. Every week E. Never

34. DO you have any form of insurance policy other than motor?

A. Yes B. No

35. If yes to question 34 which type? ....

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36. Where do you like to learn/increase your financial knowledge? (Tick all that apply)Parents [ ] Friends [ ] Books [ ] Media [ ] Job [ ] Life experience [ ] Financial Institutions [ ] other(s): ……………………………………………

IX. PERSONAL FINANCE OPINION   Tick as appropriate using ×. Using the scale given below, please rate the importance of items to you

1= Strongly disagree, 2 = Disagree, 3= Neutral, 4= Agree, 5= strongly agree

37. I am able to maintain adequate financial record 1 2 3 4 5

38. I am able to plan and implement regular savings 1 2 3 4 5

39. I am uncertain about where my money is spent 1 2 3 4 5

40. How will you spend if you receive an insurance claim of GHS50, 000.00? A. I will use it to buy a car B. I will invest it C. I will use it on my children's education D. I will use it on a building project

X. **FINANCIAL MANAGEMENT CHALLENGES**

 41. What percentage of your income do you save? A. 10% B. 15% C. 120% D. 25% E. Not at all

42. A greater portion of my income is spent on: A. Food B. Clothing C. Transport D. Books E. Recreational activities

THANK YOU VERY MUCH FOR PARTICIPATING IN THIS SURVEY.