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A Framework for enhancing financial literacy initiatives in Botswana

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Thesis accepted in fulfilment of the requirements for the degree *Doctor of Philosophy in Business Management* at the North-West University

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DECLARATION

I, Masego Morima, declare that this Doctoral thesis is my authentic and original work. It has not been submitted in any form for another degree at this or any other university. The information used and derived from academic research and other sources has been duly acknowledged both in the text and in the reference list. In addition this dissertation shall not, under any circumstances, be presented to any other institution for the award of any degree.

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SUPERVISOR'S APPROVAL

This dissertation is approved for examination as meeting the requirements for the fulfilment of the degree of Doctorate of Philosophy in Business Administration at the North-West University.

TOPIC: A Framework for enhancing financial literacy initiatives in Botswana

Supervisor: Professor Wedzerai Musvoto

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ABSTRACT

The 2008 crisis made adverse impact on individuals, households and the economy at large around the world mostly to countries in Sub-Sahara Africa like Botswana. Dealing with the repercussions of the crisis and the low levels of financial literacy which were identified to have contributed to poor financial decision making then, countries around the world adopted multi sectoral national strategies for recovery. However Botswana has not yet embraced the idea thereby posing issues of lack of coordination and control for consumer protection. There is also lack of measurement and evaluation of these initiatives which is an impediment to understanding the depth of the problem, restricting stakeholders at strategic policy level to make informed decisions. These issues necessitated for the study to evaluate the financial literacy initiatives in Botswana with the aim to answer the research question: What is the framework of enhancing financial literacy initiatives in Botswana?

The study followed Mixed Method Research (MRR) based on the philosophical stance of pragmatism; the two are described as attractive partners exalting the research question to be the most important determinant of epistemology, ontology and axiology. From the types of MMR, Exploratory Sequential Design (ESD) was appropriate to deal with the context of Botswana where the phenomenon was less known; minimal studies, no measures or instruments hence the variables were unknown. Therefore the first phase of qualitative research design was utilised to explore the phenomenon and determine the areas of interest (variables) and develop an instrument for the next step. An interview guide was used to collect data during consultative meetings and semi-structured interviews platforms. Its reliability was achieved by pilot-testing but validated by expert analysis. A purposive or non-probability sampling specifically critical case sampling became relevant as the financial literacy initiatives were heterogeneously implemented such that 21 cases were purposively grouped in sectors representing the population identified. The study accommodated Qualitative Data Analysis (QDA) approach with Braun and Clarke (2006:5)'s thematic analysis process which permits qualitative analysis of "talk" and "narrative" which in this study was provided by the interviews.

The second phase involved a quantitative research using a questionnaire for data collection from the recipients to establish the impact of the financial education they received. The study utilised Exploratory Factor Analysis (EFA) for instrument validity and reliability having conducted tests: the Cronbach's alpha reliability coefficient for internal consistency, Bartlett's test of Sphericity and Kaiser-Meyer-Olkin test (KMO) for measurement of sampling adequacy. The sampling of 400 was drawn from the population of Botswana (2.292 million) with the technique that for large populations of (N=5000), 400 is saturation point to produce valid results. The study adopted Bannan (2013:19)'s seven steps of quantitative data analysis which permitted different techniques employed for different questions: A Statistical Package for the Social Sciences (SPSS) Version 23 (2015) was used for descriptive statistics dealing mainly with univariate and bivariate analysis. For the multivariate analysis, Confirmatory factor analysis (CFA) was used for the self-assessment questions to confirm the variables observed from the qualitative report while Principal Component Analysis (PCA) was utilised for factor extraction of 9 factors for self – assessment test and also for data reduction of variables. In dealing with the reduced variables cluster analysis was then applied for both self-assessment and the performance test.

The results of the thematic analysis revealed 6 themes with the main problems identified as: low levels of financial literacy and less consumer protection, lack of financial counselling, use of inappropriate methods, lack of funding for financial education, lack of measurement and evaluation, lack of a defined curriculum, and lack of government intervention for nation-wide coordination. The quantitative data analysis revealed that there are still low levels of financial literacy especially among youth. The main findings are: Financial inclusion but lack of understanding concepts, lack of understanding the difference between investments and savings, lack of obtaining the correct information and lack of confidence in financial decision making. As a synthesis of the two results a framework offering solutions for enhancing financial literacy initiatives was developed and Botswana is urged to implement the following recommendations:

1. National coordination – a national strategy is imperative to deal with issues of regulation, control and necessary enforcement for consumer protection.
2. A

multi – sectoral approach will be most suitable for all stakeholder involvement to combat financial illiteracy. 3. Inclusive financial education – with a defined curriculum and interactive methods financial literacy initiatives must reach out to all, in particular young people 4. The priority areas suggested are: Investment, Budgeting, Portfolio Management, Income and debt Management. 5. Lastly, Measurement & Evaluation is proposed to scrutinise all initiatives and programmes and the government is recommended to encourage research and development of measurement tools. This will offer evidence and impact analysis results for better policy making decisions and for continuous development in the field of financial literacy in Botswana.

KEY CONCEPTS

Financial Literacy

Financial literacy is the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being. It is knowledge of financial concepts, skills and attitudes to translate this knowledge into behaviors that result in good financial outcomes

Financial Education

Financial education is the process by which financial consumers/ investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.

Financial Capability

Financial capability is possessing knowledge, skills and confidence to be aware of financial opportunities, to know where to go for help, to make informed choices, and to take effective action to improve personal financial well-being. An enabling environment is vital for financial capability building would promote the acquisition of those skills.

Financial Inclusion

Financial inclusion refers to the process of promoting affordable, timely and adequate access to a wide range of regulated financial products and services and broadening their use by all segments of society through the implementation of tailored existing and innovative approaches including financial awareness and education with a view to promote financial well-being as well as economic and social inclusion.

ABBREVIATIONS

AERA	American Educational Research Association
ANZBG	Australian and New Zealand Banking Group Limited
B of B	Bank of Botswana
BABC	Banc ABC Botswana
BAC	Botswana Accountancy College
B of BB	Bank of Baroda Botswana,
BBB	Barclays Bank of Botswana
BGB	Bank Gaborone Botswana
BIC	Botswana Insurance Company
BIHL	Botswana Insurance Holdings Limited
BIOB	Botswana Institute of Bankers
BNLS	Botswana National Library Services
BOI	Bank of India Botswana
BPOPF	Botswana Public Officers Pension Fund
BSB	Botswana Savings Bank
BSE	Botswana Stock Exchange
BU	Botho University
BURS	Botswana Unified Revenue Services
BQA	Botswana Qualifications Authority
BWRA	Both Ways and Respectful Approach
CAD	Consumer Affairs Department
CWPW	Consumer Watchdog and Premier Wealth
CBOs	Community-Based Organisations
CFA	Confirmatory Factor Analysis
CSAs	Children's Savings Accounts
EFA	Exploratory Factor Analysis
ESD	Exploratory Sequential Design
FLE	Financial Literacy Education
FNBB	First National Bank Botswana

FRMM	Family Resource Management Model
LFSB	Letshego Financial Services Botswana
MB	Metropolitan Botswana
MESD	Ministry of Education and Skills Development
MMR	Mixed Method Research
NBFIRA	Non-Bank Financial Institutions Regulatory Authority
NCEE	National Council on Economic Education
NGOs	Non-Governmental Organisations
OECD	Organisation for Economic Cooperation and Development
PACFL	President's Advisory Council on Financial Literacy
PAR	Participatory Action Research Approach
PISA	Programme for International Student Assessment
PTE	Programme Theory Evaluation
SBB	Stanbic Bank Botswana
SCBB	Standard Chartered Bank Botswana
TCU	Traditional Credit Union
TTM	Trans Theoretical Model
UB	University of Botswana

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CHAPTER 1 GENERAL OVERVIEW OF THE STUDY

1.1 Introduction

The purpose of this study is to develop a framework for enhancing financial literacy in Botswana. This is because the current financial literacy initiatives are not adequate in addressing the needs of the consumers in Botswana. Despite these initiatives low levels of financial literacy are evident. According to Sparkassenstiftung für Internationale Kooperation (2007:7) Botswana typical of a developing countries in Sub Saharan Africa, has a low level of financial literacy and this is apparently more prevalent among adults (Fanta, Mutsonziwa and Naidoo (2015:7). In addition like most developing countries in the world, Botswana experienced the impact of the 2008 global economic recession as consumers were faced with debts, defaulted on payments (especially on mortgages), were retrenched and lost their jobs (Busari and Bamatunde 2009:2). There is also no national coordination (Monticone and Messy 2011:345) of the initiatives and most of them are offered by the private sector (Monticone and Messy, 2011:34, Sparkassenstiftung für Internationale Kooperation 2007:26). According to Monticone and Messy (2011:345) the prevalence of private sector involvement with little government intervention is a challenge, particularly regarding potential conflicts of interests. This and many more reasons elucidated below have necessitated a guiding framework for implementation.

The framework provides solutions which combat these low literacy levels in order to assist consumers to deal with ever-changing financial markets. The country has to raise awareness on the importance of financial literacy (Sparkassenstiftung für Internationale Kooperation (2007:47). According to Fox, Bartholomae, and Lee (2005:105) financial literacy initiatives improve consumers' and investors' understanding of financial products and concepts and consumers become aware of risks and opportunities (Johnson and Sherraden 2006:6). In addition financial education helps consumers make informed choices (Lusardi 2013:4). Through it consumers and investors develop competence, skills and confidence pertinent for personal financial management

(Remund 2010:288). Therefore tracking variation and change in financial literacy rates is of interest to educators, policymakers, employers and researchers (Huston (2010:310). According to Collins, Odders-White and Walsh (2012:19) a well-designed evaluation enhances the decisions made by educators and policy makers. Many authors Yoong and et al (2013:35), Hanna, Hira and Lyons (2009:89), Huston (2010:310, Fox, Batholomae and Lee (2005:203) also view evaluation of the financial literacy initiatives as aspect critical to establish the effectiveness of the initiatives and that this offers an opportunity to use information for improvement. It is through this study that a guiding framework for enhancement is provided and that recommendations are proffered for better implementation of financial literacy initiatives in Botswana.

1.2 General Background of the Study

Since the world financial crisis of 2008, personal finance has become a common topic in research, prompted by the effects of household debts which affected economies. According to Klapper Lusardi, and Panos (2011:1) the world started to show concern and give financial literacy attention. Governments began to appreciate how to campaign for financial literacy to inculcate in the consumer careful use of their money. This is because the causes for the crisis were not only attributed to the collapse of the financial regulatory framework (Bartmann 2017:3) but also to the low levels of financial literacy and lack of risk awareness by individual consumers (OECD 2009:4), According to OECD (2009:4) the original causes could have been subprime in real estate the but the consequent challenges occurred because of hasty financial behaviours of consumers who were unaware of risks involved in their financial transactions. The OECD (2009:4) has also noted that consumers demonstrated the lack of financial literacy which affected them during the crisis. It was observed that even small populations contributed serious effects noticed in the global economic meltdown. This makes financial literacy quite important for both individuals and the economy at large as stated by Sparkassenstiftung für Internationale Kooperation (2007:7):

“From the macro-economic perspective, a financially literate population is of major importance in terms of combating poverty. Only if this

knowledge is on hand, (micro) finance institutions can reach a sufficient number of customers, and so operate sustainably (in rural regions too).”

It is deduced from this that lack of financial education contributes to low levels financial literacy posing adverse repercussions to individual persons and entire financial system- the effects of crisis were felt both at microeconomic and macroeconomic level. At microeconomic level, there were large consumer credit losses (Klapper Lusardi Panos, 2011:1), retrenchment or lay-off as the reason for returning home from overseas from places such as the Philippines (Yap, Reyes, and Cuenca (2009:12). According to Yap, Reyes and Cuenca (2009:18) there were also job losses in the domestic labour market, and the jobs lost were more than the new jobs created. Verick and Islam (2010:5) called the situation of unemployment, a global jobs crisis. As Yap, Reyes and Cuenca 2009:15, Allen and Carletti (2009:3) narrate, households experienced a reduction in wages and to cope with the ramifications of the crisis, households changed their spending patterns or found new sources of financing for their expenditures. According to Claessens, Kose, Laeven, and Valencia (2009:4), unemployment in the United States and a number of other countries rose dramatically as a result. Claessens, Kose, Laeven, and Valencia (2009:4) continue to account that this resulted in large scale defaults by households as they ran into debt servicing financial problems.

In the context of macroeconomics, incongruous financial decisions of small social units like households could hugely affect the stability of the whole economic and financial system (Claessens, Kose, Laeven and Valencia 2009:4). According to Claessens, Kose, Laeven and Valencia (2009:4) the global implosion caused systemic risk. There was a contagion from overseas to developing countries. According to Dolphin and Chappell (2010:1) this global financial crisis hit emerging and developing economies extremely hard. This is because output, exports, remittance flows, aid and capital inflows became lower than expected (Dolphin and Chappell 2010:1). Countries which depended a lot on remittances from abroad like Morocco and Tunisia lost significant percentages in their GDP (Dolphin and Chappell 2010:12). Major developing countries, such as Brazil, Argentina, South Africa and India were pressured to

devalue their currencies against the US dollar and the Euro (Dolphin and Chappell 2010:4). According to Lin (2008:10) emerging and developing economies across all regions experienced a sharp slowdown in output growth which resulted in sizable reductions in their exports. Meyn and Kennan (2009: VII) highlight that those mostly hit were undiversified and highly export dependent economies like Botswana.

As a result of experiencing these effects, many countries were prompted to take decisive action. Some countries responded by stressing the importance of consumer protection through financial education (OECD 2009:9, Rutledge, Annamalai Lester and Symonds 2010:1) as a long term strategy for the stability of the financial sector. National strategies for financial education became an imperative solution. Many governments have taken the lead and this is shown by the level of interest by policy makers on financial literacy around the world and the input made by different stakeholders who have been prompted to act since the crisis. The OECD (2009:9) attests to this by writing that:

“If the crisis shed light on the importance of increased level of financial literacy for global financial and economic stability, it has done so in different and uneven ways for the public, policymakers and private decision makers. Accordingly, this increased awareness has notably prompted governments and interested stakeholders to take some remedial policy actions in the financial education area.”

The same sentiments are shared by Klapper, Lusardi and Panos (2011:1) as they report of the countries developing national strategies which have coordinated approaches, with a measurement and evaluation element, and with development of policies, regulations and control measures. Since the recession, such actions are directed at making efforts to improve financial literacy. This is elucidated by OECD (2009:3) to say:

“The impressive increase in the number of governments which have adopted such nationally coordinated approaches to financial education testifies to its significance: today almost 60 economies are implementing

national strategies for financial education worldwide, compared to a handful in 2009.”

Consumer protection as stated above is one of the goals of financial education and with it the financial stability and sustainability of both consumers and the financial markets are improved. It is achieved by sensitising consumers on their rights and privileges, about products and services, and about investment and saving opportunities. According to Messy and Monticone (2011:5) low financial literacy is an important demand-side barrier to more effective financial inclusion and so they state:

“Well-designed financial education initiatives can reduce demand-side barriers to more effective financial inclusion and can empower vulnerable individuals economically, so that they can better manage household resources and develop income generating activities.”

This is deduced to mean that financial literacy can be used as a vehicle to obtaining financial inclusion and or consumer protection. In some national strategies countries have adapted the national strategies to address a combination financial inclusion and/or consumer protection needs (OECD/INFE: 2013:17). The OECD (2009:3) cites many countries like Canada, Indonesia, Mexico, New Zealand, Argentina, Australia, Peru, Turkey, Armenia, Guatemala, India, Indonesia, Israel, Korea, Malawi, the Netherlands Portugal, Romania, Russia, and South Africa. These countries have recognised the importance of national strategies which aim at improving financial literacy especially of vulnerable groups who may even be financially excluded.

According to Messy and Monticone (2011:5), most of the programmes in Africa have a purpose of improving financial knowledge and skills, raising awareness of financial issues, and strengthening financial inclusion. Messy and Monticone (2011:5) report that some of the advanced programmes championed by public authorities in their national strategies like Ghana, Namibia, South Africa and Uganda. OECD/INFE (2013:3) narrate that most of these strategies are inclusive of specific goals, delivery channels to address different target groups, plans for measurement, sponsorship or resources and plans for review of

strategy (OECD/INFE 2013:17). Since the implementation of these strategies financial literacy may still be low but financial inclusion is said to be improving Messy and Monticone (2012:46) because efforts to measure financial literacy are evident. However in Botswana in the background below there is absence of such a national strategy or framework of coordinating financial literacy initiatives around the country.

1.3 The Botswana Context

In Botswana there are several financial literacy initiatives but they are mostly conducted by the private sector (Messy and Monticone 2012:46) with minimal government intervention. The absence of such is coupled with lack of impact analysis of such initiatives on the consumers, which means there is lack of evidence, lack of framework and standards for implementation. This provides solid motivation for this study on financial literacy in Botswana to evaluate the existing initiatives around the country hence the research topic: “A framework for enhancing Financial Literacy Initiatives in Botswana”

Botswana, being a country in Sub Saharan Africa, was no exception as it was also affected by the world economic recession. With its economy less diversified and dependent on exporting raw materials to the already affected advanced economies, Botswana felt the impact both at macro and micro economic level. As noted by Busari and Bamatunde (2009:2) Botswana had to suspend the production of diamonds and beef where she had the largest market in Europe. According to Dolphin and Chappell (2010:12) this is typical effects of a developing economy integrated into the global financial systems. This happened because the demand for diamonds declined significantly and prices translated directly into decreased investment, currency depreciation and unemployment. According to Dullien, Kotte, Márquez and Priewe (2010: 210), in 2008 third quarter to 2009 first quarter for Botswana the Pula devaluation against the American Dollar was by 15–29 percent. The losses in diamond revenue meant, as recounted by Busari and Bamatunde 2009:2), there were job losses, retrenchments and reduction in households' income. At micro-economic level consumers especially employees in the mining sector were not prepared for these changes as they lacked financial literacy skills empowerment. The

financial literacy initiatives which were available at that time fell short to have addressed problems experienced.

The solution to the lessons learnt from above is that Botswana have to be educated on savings and on how to deal changes in the financial markets. The education should be for financial literacy and financial inclusion for present situation and for future environments. According to Jefferis and Kenewendo (2009:13) excluded segments in Botswana can be targeted through an appropriate financial literacy initiative. This need for financial literacy initiative is emphasised by OECD (2009:9) highlighting that financial education or initiatives must be developed as correctional measures or preventative steps to prepare for future. In addition to this MasterCard Foundation (2011:6) write that challenges of money management and changes in the economic environment need empowered citizens so that they can make informed financial decisions. According to Lusardi (2008:19), financial instruments have become increasingly complex and individuals are presented with new and ever-more-sophisticated financial products. Access to credit is easier than ever before and opportunities to borrow are plentiful Lusardi (2008:19). The number of financial institutions in Botswana has increased, each coming with new financial products offering credit and saving opportunities- A good reason for Botswana to invest in financial education so that Botswana maybe able to face the challenges which come with these changes.

According to Sebtad, Cohen and Stack (2006:5) one of the behavioural outcomes of financial education on consumers is the ability to find ways of increasing income and creating wealth. As pointed out in the Government of Botswana Poverty Eradication Guidelines (2012:6), Botswana would like to empower its citizens, so that they may increase their earning power. This income should be used appropriately for individual growth and for contribution into the collective economy. Financial education programmes usually teach concepts such as investment and income and debt management, these being important in wealth creation. The financial literacy initiatives should be implemented bearing in mind the goals of the poverty eradication programme and Vision 2036 (2016:3) professing "Achieving Prosperity for all". For the past

three years in Botswana there have been reports of Batswana making decisions to invest in high risk stocks in companies like EUREX and Stock Market Direct. This means there are draw backs and challenges to achieving this goal. Some consumers had accumulated assets but forfeited them due to lack of knowledge on investment products and opportunities. The warnings to be cautious of such scams came when many Batswana had already invested their savings and retirement funds into these institutions Newel (2012) writes in The Botswana Guardian Newspaper that:

“Investors in Botswana have been exposed to an investment scam by a shady organisation known as EUREX Trade PTY LTD, which robs them of their hard earned cash. The scam is known as the ‘Ponzi Scheme’ which is a scam that pays initial investors with proceeds from new investors under the guise that they are making an actual business investment, when in fact the underlying business is non-existent or unsuccessful.”

This has affected household debt and engendered bank repayments, defaults as has been reported in The Botswana Sunday Standard Newspaper (2012) highlighting that economists have identified Botswana Banks to be exposed to household debt that could lead to defaults in servicing loans. This is indicative of lack financial awareness, lack of consumer protection and lack of prudence in managing personal financial portfolios. Despite the losses indicated above, there are reports of financial literacy initiatives around Botswana implemented by different sectors: Banking Sector, Non-Bank Financial Institutions, Non-Governmental Organisations, Consultancies, Insurance Companies, and Regulatory Authority. The list portrays private sector playing a prevalent role but according to Sparkassenstiftung für Internationale Kooperation (2007:23) there are three main players for creation of financial literacy awareness. These have different reasons with diverse rationale for offering financial education to give the consumer an advantage of diversified initiatives to select from. These are:

1. Authorities and other state organisations, such as schools and extra-curricular educational institutions, central banks, supervisory authorities and consumer protection associations

2. Non-governmental organisations (national and international) / private
3. Formal, semi-formal and informal financial service providers

In Botswana, the Non-Bank Financial Institutions Regulatory Authority (NBFIRA), (NBFIRA Annual Report 2016:17) has come up with a financial literacy initiative to provide information on personal financial management to the public. According to NBFIRA Annual Report (2016:17) the objectives of the initiative is to the sensetise the public on their consumer rights. This they believe will enable the consumer to make informed decisions when they choose financial products and services. The NBFIRA Annual Report (2016:17) informs that the initiative so far bears fruits due to the fact that there are fewer complaints about companies and organisations regulated by NBFIRA. NBFIRA may have been established by government yet it does not mean it has constituted powers to be in charge of financial literacy initiatives conducted by other institutions making the lack of national coordination to be still a problem. The Authority held different the campaigns around the country as shown in the figure below:

Table 1-1: Financial Literacy Campaigns by NBFIRA 2015-2016

Place	Activity Dates
Botho College	25th -31st May 2015
Hukuntsi, Maun and Ghanzi.	26th-28th July 2015
Tlokweng District Council and Tlokweng Bus Rank	6th-14th August 2015
Botswana Trade Fair	23rd -31st August 2015
Verda, Tsabong and Middlepts	23rd-26th September 2015
Bobonong and Selibe- Phikwe	26th- 27th October 2015
Mochudi	19th December 2015
Gumare, Seronga, and Shakawe	20th -22nd January 2016
Middlepts and Tsabong	11th- 12th February 2016
Sowa, Nata and Kasane.	15th-19th February 2016

Source: NBFIRA Annual Report (2016:17)

Despite not being charged with the responsibilities of national coordination of financial literacy programmes, the Authority goes out on its own liberty to have stakeholder collaborations. According to NBFIRA Newsletter (2014:2) it

annually holds financial campaign weeks and in 2014 this was done in collaboration with other stakeholders: Botswana Public Officers Pension Fund (BPOPF), Botswana Stock Exchange (BSE), Consumer Affairs Department (CAD), Consumer Watchdog and Premier Wealth. The primary aim of the financial literacy campaign was to change consumer's attitudes by translating knowledge into positive financial behaviour (NBFIRA Newsletter 2014:2). The campaign used "edutainment" – drama, songs and play performed by Maruapula Money Matters Play and Storms road show group, teaching the public about reckless borrowing and the importance of proper financial planning (NBFIRA Newsletter 2014:2). The shortcoming of their efforts is that there is no mention of measurement and evaluation – an element critical to noting areas of improvement to enhance the initiatives.

Other collaborative efforts in conducting financial literacy initiatives are that of Letshego Holdings Limited (LHL) and the Botswana Directorate of Public Service Management (DPSM) providing education to government employees through workshops and seminars (Letshego Holdings Limited Annual Report 2016:73). Their aim was to provide savings, payment and borrowing solutions. According to Letshego Holdings Limited Annual Report (2016:73) financial education is critical to ensuring financial inclusion and that the cost of conducting financial literacy is recouped when targeted at the less educated. Unlike other initiatives Letshego conducted both qualitative and quantitative studies which revealed 19% of participants to be unable to balance their budget spending to what they earn, 4% did recognise themselves as being over indebted while 21% expressed sense of over indebtedness. These percentages indicate the programme to be effective. As a result of measurement and evaluation, the findings have assisted Letshego in knowing the subgroups at risk who are critically in need of more financial literacy training (Letshego Holdings Limited Annual Report 2016:11).

Another identified collaboration is that of Barclays Bank Botswana (BBB), in partnership with Stepping Stones International (SSI) in Mochudi. According to Barclays Bank Botswana (2007) the two began an innovative partnership to take the world of money and finance to children at 10 schools across Botswana

through a school-based Aflateen programme. Some of the initiatives are reported by Monticone and Messy (2011:34). They inform that Barclays Bank of Botswana had launched a financial literacy campaign in 2010 consisting of training sessions for various low-income groups. Monticone and Messy (2011:34) also give an account of the efforts by Stanbic Bank Botswana (SBB) which is in collaboration with the Ministry of Education and the Botswana National Library Services (BNLS) introduced financial literacy booklets, based on Stanbic Bank material, in secondary school curriculum. Reporting on one more initiative Sparkassenstiftung für Internationale Kooperation (2007:46) write that Bank of Botswana also used to run Botswana Banking Week financed by various other banks. It used to reach the public through media and public square presentations to celebrate Bank week and educate the public on fraud. However, to facilitate “fair” funding, the banking association is now set to assume organisation of the Banking Week. According to Sparkassenstiftung für Internationale Kooperation (2007:46) the current initiative at the Central Bank is done by the “Public Education Department” using newspapers, radio shows and television reports to pass on information. It also visits schools and universities and has a question-time slot on a radio show, which listeners actively use.

1.4 Rationale of the Study

In light of the above context, efforts made by the different stakeholders indicate the existence of financial literacy initiatives but the problems identified are: low levels of financial literacy, lack of understanding financial concepts and poor decision making, lack of utilising multipliers and getting the correct information, lack of consumer protection, lack of a defined curriculum, lack of measurement and evaluation and lack of nation-wide coordination.

Low levels of Financial Literacy among different target groups pose enormous challenges for Botswana: According to Sparkassenstiftung für Internationale Kooperation (2007:7) studies were conducted on financial literacy in Mexico, Botswana, South Africa, Namibia and Vietnam from the end of 2006 to the start of 2007. It was identified that Botswana, has low level of financial literacy, a typical scenario of a developing country in Sub Sahara Africa. The levels are low among particular groups such as low income earners, children and young

people, and those deemed to be financially illiterate (Sparkassenstiftung für Internationale Kooperation 2007:26). Women are excluded as Sparkassenstiftung für Internationale Kooperation 2007:26) writes that, Botswana does not have any initiatives which are specifically designed to meet their needs. For a solution Fanta and Mutsonziwa (2016:1) financial education can be used to promote financial literacy for females, and it is interpreted that it may be so for other groups.

Adults in Botswana are another group identified by Fanta, Mutsonziwa and Naidoo (2015:7) to have low levels of financial literacy yet have high levels of financial inclusion. This is a challenge because in Botswana adults form the larger population of workers and income earners. According to Fanta, Mutsonziwa and Naidoo (2015:7) Botswana adults show relatively low levels of understanding of the advantages of owning a bank account, and this does not match the level of account penetration in the country. The implication is that that owning a bank account may not necessarily mean consumers have greater awareness of the product features and benefits. This makes a mismatch between financial literacy and financial inclusion. The expectation is that financial literacy should go beyond mere inclusion which is being able to utilise the products and services and putting knowledge into practice. According to Fanta *et al* (2014:5), financially literate people are not only more likely to have awareness of products but they are also more likely to own the products thus contributing to financial inclusion. A solution therefore was needed to not only identify groups at risk but to also address the appropriateness and suitability of target group, content and the methods of delivery for the programmes.

Low levels of financial literacy may indicate financial illiteracy and the consequences of that are lack of understanding financial concepts and poor decision making. Fanta, Mutsonziwa and Naidoo *et al* (2014:18) view financial illiteracy to be contributing to lack of understanding of financial products and services. One factor which compounds to lack of understanding is consumers consulting wrong people for information. According to Fanta *et al* (2014:18) the proportion of adults currently seeking financial advice from financial institutions and financial advisers, is notably low. Fanta *et al* (2014: 18) discovered that

most adults in Botswana either go to friends and family (49%), or do not get any financial advice (38%), compared to 4% who go to a financial institution and 2% to a financial planner / broker. Consulting friends or non-professionals contributes to getting the wrong information and making hazardous decisions (Rooij, Lusardi and Alessie 2007:19).

Learning knowledge, skills, and attitudes from peers can be effective especially from multipliers like Social Workers and Unions Representatives. According to Rooij, Lusardi and Alessie (2007:23) the importance of peer effects is realised in saving rate. Sparkassenstiftung für Internationale Kooperation (2007:27) mention that multipliers are often taught and then used as representatives to communicate knowledge about financial products and services to the rest of the union members or public. The multipliers are utilised in Botswana but not sufficiently, and therefore the issue is to be addressed by the framework as it employs the use of all stakeholders to be involved in improving financial literacy initiatives. According to Haliassos Jansson and Karabulut (2017:2) and Entorf and Lauk (2007:4) the social multiplier effect of exogenous change can be practical in financial education as it can give 'spill over' of what some critical persons have learnt to those who have not had the opportunity to receive the education. If social multipliers and representatives of affinity groups lack this knowledge it would mean a large number of people are not reached by financial education, a problem which can be addressed by the solution provided in the framework- reaching out to different audiences for consumer empowerment.

In reaching the goals of consumer empowerment and inclusive education for all the content of financial literacy should be clarified- what is it that the consumers have to learn? The problem in Botswana is that different financial educational providers teach what suits them or their objectives and it is not defined in any policy what the priority areas should be. According to Sparkassenstiftung für Internationale Kooperation (2007:26) the priority areas for Botswana are that of credit, savings deposits, and insurance for financial services and the promotion of savings through appropriate planning of household income and expenditure. This means budgeting in the household is one of the most crucial skills; it covers issues of credit use, savings and investment. Sparkassenstiftung für

Internationale Kooperation (2007:26) points out that the Botswana school curriculum is focused on issues concerning enterprise management and entrepreneurship rather than on budgeting and planning skills despite the demand. Most initiatives are reported to lack other basics like insurance content element (Sparkassenstiftung für Internationale Kooperation 2007:26).

The aspect of curriculum extends from defining the priority areas to the delivery modes which are also indicative of what constitutes the programmes or the curriculum. Sparkassenstiftung für Internationale Kooperation (2007:30) has observed that Botswana has not incorporated basic financial literacy into the school curriculum. The limited programmes show that learning is done through road shows, public campaigns, and events styles like “Banking Week”. The advantage however is that, the road or theatre shows are said to communicate key aspects of financial literacy in a playful and entertaining manner. There is also printed media, including manuals, brochures, flyers, posters and newsletters, and are most commonly used as a form of sensitisation. The proposed framework is important to deal with these curriculum issues providing solutions on content and methods suitability. Their effectiveness to be known is dependent on measurement and evaluation, which is quite lacking in most of the financial literacy initiatives in Botswana.

Most of the programmes identified have made no mention of measurement and evaluation. For instance, as reported by Sparkassenstiftung für Internationale Kooperation (2007:46) Bank of Bank did not have any mention of assessments or summative evaluation of the campaigns and the programme. The NBFIRA Newsletter (2014:2) and the NBFIRA Annual Report (2016:17) also have no mention of measurement and evaluation. Monticone and Messy (2011:34) also attest to the lack of measurement and evaluation in the Barclays Bank of Botswana initiative. The lack of measurement and evaluation provides a gap to know and understand the efficacy of the initiatives. According to Atkinson and Messy (2011:13) measurement and evaluation assists in identification of subgroups at risk and understanding their level of need. This is so like in the case of the Letshego Holdings Limited programme where research assisted in making a decision to identify such groups and provoked the financial education

provider to take action. Letshego Holdings Limited Annual Report (2016:11) states that:

“This study additionally highlights that we need to develop measures to identify these sub-groups during on-boarding and ensure that tailored solutions are provided to them, and early on in the process to improve our social and financial health”

This highlights measurement and evaluation as a critical element to note areas of improvement to enhance the initiatives. According to Messy and Monticone (2012:88) measurement and evaluations have been undertaken in countries like Brazil, Mexico, Latin America and South Africa while Botswana is cited by Monticone and Messy (2011:6) to be among the countries with limited initiatives and without measurement and evaluation. This lack has not only shown lack of evidence on the impact of the few initiatives but has also indicated minimal literature on the field financial literacy in Botswana. Thorough assessment of the financial literacy level and, more importantly, of its distribution among the population would be of great help in designing and in improving the effectiveness of financial education programmes. (Monticone and Messy 2011:36). Collecting further evidence on financial literacy as according to Monticone and Messy (2011:36) would be useful in the selection of target groups, and in choosing appropriate delivery channels and relevant contents, hence ensuring an efficient use of resources. Measurement and Evaluation therefore is an integral part of the framework proposed to advice on the different types of evaluation and their purpose.

Most of the financial literacy initiatives in Botswana are reported to be conducted by the private sector. According to Monticone and Messy (2011:34) the initiatives in Botswana, involve the private sector to a large extent. The downside of this dominance however is conflict of interest with companies serving marketing needs rather than the needs of customers (Messy and Monticone 2012:46). According to Monticone and Messy (2011:345) most of the financial literacy initiatives implemented by non-for-profit organisations and the private sector – lack nation-wide coordination. Lack of national coordination also implies little policy attention with no legislative control. This lack is a challenge

for Botswana because it does not accord the government an opportunity to concentrate on raising awareness of the importance of financial literacy, to devote funds for financial education and to schedule time for implementation. Sparkassenstiftung für internationale Kooperation (2007:47) write that the precise costs of financial education initiatives are difficult to assess, since in many institutions they are merely a “by-product” and thus not listed as a separate item in the budget. Funding is very critical and if the government places financial literacy as one of its priorities in the fiscal budget, financial literacy will be duly resourced to carryout necessary programmes and activities. Consequently this will increase awareness in the country and possibly raise the levels of financial literacy. Mentioning these issues does not mean the role of the private sector should be unnoticed. According to Sparkassenstiftung für Internationale Kooperation (2007:23), and Monticone and Messy (2011:345) albeit the issues of conflict of interest the private sector must be recognized for their efforts in Botswana. This is because OECD/INFE (2015:8) acknowledges private stakeholders to be able to bring a number of benefits like financial resources and expertise, ability to reach a wide audience, ability to exploit teachable moments and combine financial education with financial inclusion efforts. This means with private sector strengths there shall be availability of resources and expertise yet provision government coordination, with national strategic intervention for the best interest of the consumer is needed- An archetype combination which is offered from the financial literacy framework produced by this study.

This study therefore is motivated by the problems and shortcomings discussed above: low levels of financial literacy among different target groups, the effects of the recession, the prevalence of private sector involvement, minimal government intervention and lack of nation-wide coordination, the lack of measurement and evaluation, the inappropriate use of methods, non-alignment of financial literacy initiatives to school curriculum, and lack of funding for the initiatives. They necessitated for the study to evaluate the financial literacy initiatives in Botswana and develop a framework which may guide implementation. This framework will be useful for various stakeholders in the involved in the provision of financial education. Its purpose is to provide

solutions for enhancing financial literacy initiatives. The solutions are available for: government practitioners, private enterprise, Non-Governmental Organisations, financial practitioners, schools, researcher, trainers, and consumers.

1.5 Research Questions

In the context of the above statement of the research problem the following are the research questions formulated:

RQ1. What are the reasons for providing Financial Literacy initiatives in Botswana?

RQ2. What is the impact of financial literacy initiatives on consumers in Botswana?

RQ3. How can the effectiveness of financial literacy initiatives be enhanced in Botswana?

RQ4. How may the different stakeholders in Botswana enhance the effectiveness of financial literacy initiatives?

RQ5. What framework may be used to enhance financial literacy in Botswana?

1.6 The Aim and Objectives of the Study

The specific objectives of the study are drawn from the research questions above and are presented in the following manner, seeking to:

Ob1. Establish the reasons for conducting financial literacy initiatives in Botswana

Ob2. Evaluate the impact of financial literacy initiatives on consumers in Botswana

Ob3. Find out the ways of enhancing the effectiveness of financial literacy initiatives in Botswana

Ob4. Assess the role of stakeholders in enhancing the initiatives

Ob5. Develop a framework of enhancing financial literacy initiatives

1.7 Definition of Terms and Constructs

The following terms are defined because they are part of the conceptual framework of the study and they are frequently used throughout the study: financial literacy, financial education, financial capability and Financial Inclusion.

1.7.1 Financial Literacy

As a discipline financial literacy is a personal finance concept under microeconomics as it deals with individuals and empowering them with skills and knowledge to make sound personal financial planning. According to Hung, Parker and Yoong (2009:5) there are many definitions of the concept financial literacy one of the commonly used is President's Advisory Council on Financial Literacy (PACFL 2008) definition: "Financial literacy: the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being." Sebstad Cohen and Stack (2006:2) spell it out adding the aspect of application of knowledge by saying: "Financial literacy can be defined as knowledge of financial concepts and the skills and attitudes to translate this knowledge into behaviors that result in good financial outcomes" The OECD/INFE (2011:3) have refined it to be: 'A combination of awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.'

1.7.2 Financial Education

According to Hung, Parker and Yoong (2009:5) "financial education is the process by which people improve their understanding of financial products, services and concepts, so that they are empowered to make informed choices, avoid pitfalls, know where to go for help and take other actions to improve their present and long-term financial well-being". This explanation has embedded even the benefits or outcomes of financial literacy as it outlines what is expected of the individual after receiving the education. It is backed by the OECD (2005:26) highlighting that:

"Financial education is the process by which financial consumers/ investors improve their understanding of financial products and concepts

and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.”

1.7.3 Financial Capability

Instead of financial literacy some people use different terms such as financial capability (Holzmann 2010:4, Kempson and Atkinson 2008:8, Kempson, Petrotti and Scott 2013:3), or financial knowledge while others indicate financial literacy to be encompassing of the last two terms mentioned, or that financial literacy is synonymous to financial capability (Monticone and Messy (2011:5). According to Kempson and Atkinson (2008:8) financial capability is about a person displaying certain knowledge, skills, and confidence:

“A financially capable person is one who has the knowledge, skills and confidence to be aware of financial opportunities, to know where to go for help, to make informed choices, and to take effective action to improve their financial well-being, while an enabling environment for financial capability building would promote the acquisition of those skills”

In short Holzmann (2010:4) says that financial capability is reflected by the following actions: 1. keeping track, 2. making end meets, 3. planning ahead, 4. choosing products, and 5. staying informed.

1.7.4 Financial Inclusion

The term is also sometimes confused with financial literacy- while financial literacy is the level of skills, knowledge and attitudes learnt, financial inclusion deals with issues of access in to the financial market being a participant. The OECD (2005:26) defines it in following manner different from financial literacy:

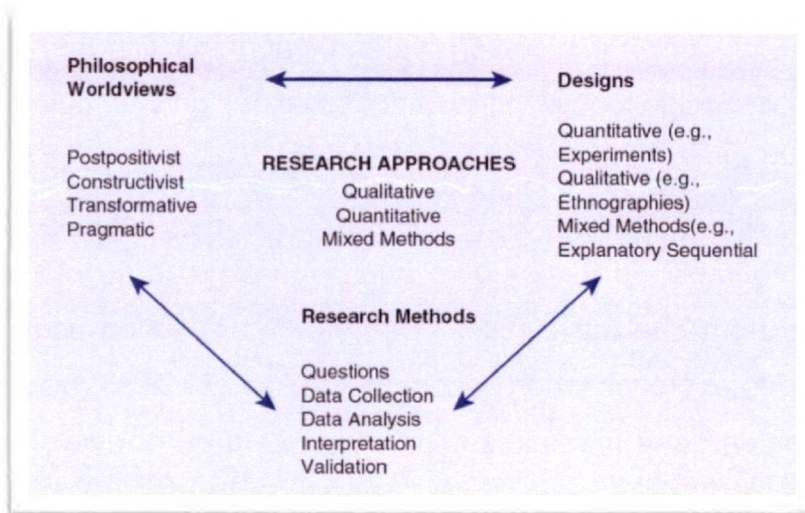
“Financial inclusion refers to the process of promoting affordable, timely and adequate access to a wide range of regulated financial products and services and broadening their use by all segments of society through the implementation of tailored existing and innovative approaches including

financial awareness and education with a view to promote financial well-being as well as economic and social inclusion.”

1.8 Research Methodology

The research design and methodology of this study is expounded more fully in chapter three. The philosophical approach for this study is pragmatism which is selected from among the various world views provided by Creswell (2013:6)

Figure 1-2: Research world views



Source: Creswell (2013:6)

1.8.1 Research Philosophy

The world view of Pragmatism guides this study because according to Karley (2013:23) and Shannon-Baker (2015:322) of it provides a map for evaluation research, management and organizations and this research is evaluative in nature: an evaluation of financial literacy initiatives in Botswana. According to Karley (2013:23), it is also able to provide an epistemological justification for mixed approaches and methods which were selected for conducting this study.

1.8.2 Research Approach

The study utilised Mixed Methods Research (MMR) approach. According to Johnson and Onwuegbuzie (2004:17), philosophically, Mixed Methods make use of the pragmatic system of philosophy. The two are appropriate for this study because both hold that the most important determinant of epistemology,

ontology and axiology is the research question (Karley, 2013:23). This study is driven by the research question: what is the framework of enhancing financial literacy in Botswana?

1.8.3 Research Design

According to Sekaran (2003:56) a research design is a plan or blue print which creates the foundation of the entire research work. Exploratory Sequential Design as a type of mixed method research design is the blueprint of this study. This is because, according to Palinkas et al (2010: 48) an Exploratory Sequential Design is needed for an exploration of the phenomena with the first phase utilising a qualitative design to inform the quantitative design, the logic for mixing the two being that of “Connecting”. As explained by Onwuegbuzie and Combs (2011:4), and the purpose of mixing the two is instrumental development (Creswell 2006:75). In this study a questionnaire was developed after obtaining variables from qualitative research. This kind of action usually happens in mixed methods approach when according to Gray (2013:35) less is known about the phenomena and measures or instruments are not available, the variables are unknown, or there is no guiding framework or theory. Such was a case for this study where variables and measures were not available about financial literacy in Botswana.

1.8.4 Population and Sampling

The initial population of the institutions was 25 but only 21 institutions gave consent to be interviewed. The researcher used purposive sampling because Patton and Cochran (2002:11) say qualitative research is usually purposive. According to Ryan, Scaperns and Theobald (2002:137) in selecting a sample a researcher must ensure that the selection criterion is adequate given the objectives of the research being conducted. The 21 institutions are few because the idea was to explore the phenomena and Creswell (2006:77) write that for such reason the sample is adequate as the population is also not known. The individual respondents for the questionnaire represented the population of Botswana. A sample of 400 individuals was drawn from the Botswana population as at 2017 being 2.292 million provided by the United Nations

Department of Economic and Social Affairs (2017:23). According to Leedy and Omrod (2014: 222) the technique to use for large populations is to draw a sample as the formula indicates: $N=5000$ equals to 400, with 400 being enough to reach saturation point. The same technique and formula has been borrowed to define the sampling adequacy for this study.

1.8.5 Data Collection

Since this is a mixed method research, data was collected in two different ways: An Interview guide was used to collect data for qualitative phase while a questionnaire was used in the collection of quantitative data.

1.8.5.1 Interview Guide

The researcher used Semi-structure interviews because they are known to provide reliable, comparable qualitative data (Crabtree 2006:2). Most of the questions were open ended. There were no recordings made on video tapes as all the interviewees were against it and because their corporate policies could not permit it. The interviews assisted in gathering data about the initiatives.

1.8.5.2 Questionnaire

The questionnaire contained mostly close-ended questions with variables obtained from qualitative data analysis. It is designed with particular rating for each of the self-assessment questions mostly on their customised likert scale. The self – assessment questions were mainly targeted to test the confidence of the individuals as they are the ones who rated themselves. There were also performance questions which basically needed the correct answer for the question, testing their level of knowledge against the knowledge they claimed from self-assessment ratings. The questionnaire assisted in revealing the impact of financial literacy initiatives on the respondents. Structured open ended questions were provided in section five of the questionnaire to obtain opinion on suitability of content and methods of delivery.

1.8.6 Data Analysis

Planning for data analysis and understanding the process to follow for each of the approaches in the mixed method research is important for easy and systematic presentation of results. Provide source. Since the study has an exploratory sequential design a chronological approach to data analysis from qualitative to quantitative became suitable for subsequent connection (Palinkas *et al* (2010: 48) consolidation and synthesis.

1.8.6.1 Qualitative Data Analysis – Thematic Analysis

Data analysis in this study was conducted by a thematic approach for thematic analysis using processes and procedures from Attride-Stirling (2001:386) and Braun and Clarke (2006:5). According to Braun and Clarke (2006:5) it is a systematic process which has six phases involving: coding of narratives, producing basic themes to be synthesised into global themes. The researcher went through the process and wrote a qualitative data analysis report which forms chapter five of this study.

1.8.6.2 Qualitative Data Analysis – Factor Analysis

The process and procedure for quantitative analysis was borrowed from the works of (Bannon 2013:19) which provided a seven step process to follow. According to Williams Brown and Onsman (2010:1) “factor analysis is a multivariate statistical approach”. It has a function to reduce large amounts of data set into manageable information to be easily understood and analysed as authors say: Yong and Pearce (2013:79) it helps to isolate constructs and concepts while Williams Brown and Onsman (2010:1) write that it assists to group variables which some link together and separate those which do not correlate. This study has used factor analysis for various tasks in the analysis of quantitative data. Exploratory Factor Analysis (EFA) as a type of factor analysis, using the Principal Component Analysis as a multivariate technique was used for factor extraction and reduction. Confirmatory Factor Analysis (CFA) was used for the self-assessment questions because according to Williams, Onsman and Brown (2010:3) “Confirmatory factor analysis is a statistical technique used to verify the factor structure of a set of observed variables”. In

addition to this Cluster Analysis was utilised for both self-assessment and the performance test for the reduced variables. According to Cornish (2007:1) Cluster analysis is a multivariate method which aims to classify a sample of subjects (or objects) on the basis of a set of measured variables into a number of different groups such that similar subjects are placed in the same group.

1.8.6.3 Technological Tools

Different types of tools were used by the researcher in quantitative data analysis. A Statistical Package for the Social Sciences (SPSS) Version 23 (2015) used for descriptive statistics, factor and cluster analysis. The Microsoft Excel spread sheet was used for compiling a data dictionary in preparation for conversion into SPSS.

1.8.7 Validity and Reliability

Issues of validity and reliability are very pertinent to research and therefore have also been considered for this study. According to Thanasegaran (2009:37) “the extent to which a test measures what it claims to measure” while reliability is concerned with consistency and repetitive use of tools of measurement yet yielding the same results (Golafshani 2003:2). This study utilised Exploratory Factor Analysis (EFA) for instrument (questionnaire) validity and reliability having conducted tests: the Cronbach’s alpha reliability coefficient for internal consistency, Bartlett’s test of Sphericity and Kaiser-Meyer-Olkin test (KMO) for measurement of sampling adequacy. This was borrowed from Louw Fouche Oberholzer (2013:445) in their study. The reliability was also enhanced by the use of some items (adapted into the context of Botswana) from other studies like that of Arellano Camara and Tuesta (2014:15) and Thomson (2012:14) because they have been tested therefore valid and reliable. Validity for the interviews was done by the use of consultants – expert analysis in the field who critiqued the instrument (interview guide) checking if they were designed to measure what they intended. The interview guide itself provided reliability as the questions for the semi - structured became a set of standard protocol (Baskarada 2014:9) for providing the answers. In addition applying to both

instruments the items were designed in correlation with the research questions ensuring alignment and validity to the study

1.8.8 Ethical Considerations

According to Bhattacharjee (2012:137) ethics are the moral distinction between right and wrong. A researcher must show high level of conduct. The first issues attended to by the researcher had been to obtain an ethical clearance conduct from the University. Permission also was sort from the University to carry out research. Permission was also requested from the government of Botswana to do a study in the country. Letters of request were then sent to the different organisations requesting to conduct interviews or administer a questionnaire. Informed consent was also sort from the individuals before administering. During Interviews corporate protocols of the company were observed. No harm was inflicted on participants.

1.9 Significance of the Study

The study is important especially the results in the development and the provision of a framework that could be utilised by the following: consumers at individual level, practitioners at institutional level, policy makers at strategic level for decision making, and by researchers contributing to the body of knowledge.

1.9.1 Consumer Level

According to Miller and et al (2009:6) the ultimate goal of financial literacy is to empower consumers to take action to improve their financial well-being. This means that financial literacy is not a once off activity but the information that is transmitted to the recipient must make an impact. In this light it therefore necessary to conduct an impact evaluation on the financial literacy initiatives after finding out what the institutions have offered to them. Collins, Odders-White and Walsh (2012:19) support the value of research on the impact of financial education by saying: "If research can identify optimally-targeted financial education, its results will increase the potential to improve financial decision-making among youth and adults, and will ultimately enhance the financial well-being of citizens". The results of the evaluation will also indicate to

the providers of the education what skills, knowledge and attitudes are relevant and needed by the consumers. This will enhance the content, the way they are taught and refine the purpose for the initiatives.

1.9.2 Institutional Level (Practitioners)

Eventhough financial literacy is a micro economics concept, the impact it has on individuals may translate to institutions and the country at large. As is written by Sebtad, Cohen and Stack (2006:4), “ultimately, financial literacy can have higher-level social and institutional impacts”. It is through this study that the researcher would like to evaluate the financial literacy initiatives in Botswana and that this evaluation will highlight to institutions the improvements to make. Evaluation of the impact of Financial Literacy initiatives may also prove useful for financial planners attempting to gain an understanding of their clients’ knowledge base (Hanager 2012:2).This implies that in Botswana the various institutions will from this research gain an understanding of the impact of their initiatives on the targeted groups. Besides institutions practitioners need to know about the gaps in their area and this why Robson (2012:7) includes practitioners in the group of people that need research information indicating that their role is to make a positive difference in the lives of people regarding their personal finances.

1.9.3 Policy Level

This study also informs policy makers on ways to improve the financial experience of the public as a way of enhancing their financial literacy initiatives. This indicates that governments and policy makers need to be advised on strategies to help the whole public on financial literacy. In addition they are advised to concentrate on specific or critical areas. Government and institutions may focus on one target group depending on their needs. This is so as is stated by some authors like Cude and et al (2006:102) who say that “in recent years, educators, policy makers, and university officials have focused on one aspect of college students’ financial practices – their use of credit, and most specifically credit cards.” In Botswana there is no policy outline on financial literacy, how the

education has to be conducted by whom, where it should be conducted and how it should be evaluated.

Another value for the need to advise government on policy is that of being well informed to design suitable programmes. When using a questionnaire Hanager (2012:2) alluded that “If a coordinated effort were applied to collecting data from this brief questionnaire, policy and program decisions would be better informed”. In addition Yoong and *et al* (2013: 64) have this to say: “Results from impact evaluations are key inputs in helping funders, policy makers, and other stakeholders determine how successful a program is, and they are also key inputs into conducting cost analysis.” Writing about marginalized groups in Canada, Robson (2012:14) says that financial literacy programs help capture feedback from consumers to inform market, advocacy and policy responses. It is therefore not only government that may be informed but the non-governmental organisations which lobby and advocate for marginalised groups.

1.9.4 Research Level

In emphasising the importance of evaluation in research and contribution to the body of knowledge, Atkinson and Messy (2011:2) purports that measurement and evaluation is essential to reveal the groups which are adversely affected and that the evaluators and relevant stakeholders may know how to assist them. This signifies the value of evaluation through research to assist in knowing the impact that the financial initiatives have and gives an idea of where stakeholders may concentrate in future endeavours. Huston (2010:296-297) also states that: “despite its importance, the academic literature has given little attention to how financial literacy is measured” or evaluated, and that far fewer studies specifically emphasize measurement of financial literacy as an objective”. Practitioners may therefore use this study in their practice to add value to their programmes and initiatives. The following is a summary of the significance and contribution of the study at different levels.

- **Individual level:** The evaluation will help consumers understand their level of financial literacy and learn where they may still need information to improve their personal financial planning.

- **Institutional Level (Practitioners):** The evaluation is expected to give insight Practitioners on how to make improvements on the initiatives to suit the targeted consumers in the next endeavour. They may also use the developed evaluation framework for both process and impact evaluation.
- **Government and Policy Level:** The evaluation provides advice on policy and implementation strategy of financial education and training. The framework will also give government information on how to make strategic decisions about aspects of how to coordinate the initiatives.
- **Research Bank level:** The evaluation contributes to the research bank on a subject area in Botswana where literature on evaluation of financial literacy is sorely lacking. In the area of measurement and evaluation the instruments utilised are available to be further scrutinized by researchers for further development. The study has therefore contributed to the body of knowledge. Theoretically the literature in the study with the analysis of the concepts, models and the synthesis on the theories of goal setting and motivation provide a source of knowledge: The study has a stance that financial education contributes to behavioural change: knowledge, skills and attitudes.

1.10 Limitations of the Study

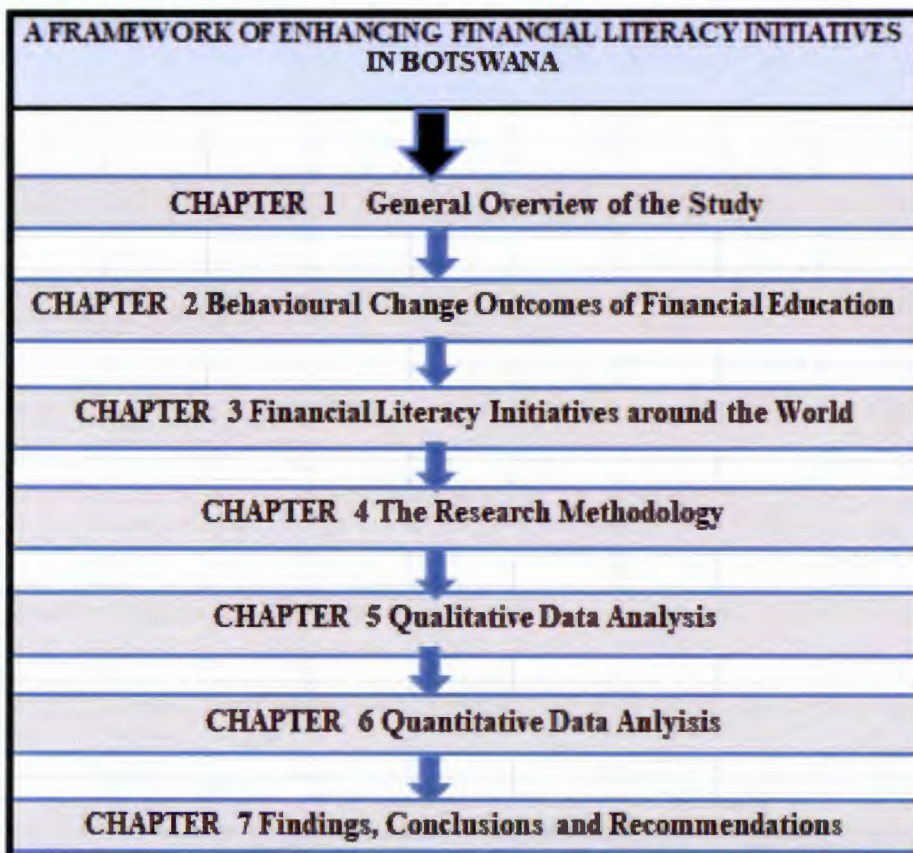
This study is not without limitations. This is because in Botswana there is limited revered scholarly literature on financial literacy or financial inclusion. The information which is available is mostly from newspaper reports which lack reverence on the field. This makes it difficult to compile and establish the number of initiatives available in Botswana such that there could be some of initiatives which exist but unintentionally not included in the study. This point makes it difficult to generalise findings on measurement and evaluation, on suitability of content and methods, on purpose and the behavioural outcomes of the initiatives- areas which are very critical for evaluation in this study. In addition to this, most of the initiatives in Botswana being carried out by the private sector, the researcher had to go through a lot of different protocols to get interviews. Over and above all consumers do not like personal questions about how they spend their money, how they earn income, how they deal with their

debts or how they behave towards issues of investment, such that some interesting type of groups were left out to respect their rights.

1.11 Organisation of the Study

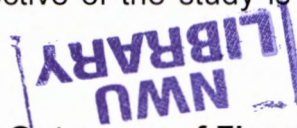
This study consists of chapter one and two concerned with the theoretical background of the study and an in-depth review of literature around the topic, context and scope of the study. The other sections present the methodology, the results and the recommendations of the study. The chapters are organised in the following manner: chapter one presents the introduction of the whole study; chapter two and three provides the conceptual, theoretical and empirical framework of the study, chapter four is the methodology of the study which outlines the philosophy and the research design of the study, chapter five contains the qualitative data analysis report, while chapter six gives a report on the quantitative data analysis. The conclusion as well as the recommendations derived from the analysis and are provided in chapter seven. The following figure has the outline of the study:

Figure 1-2: The outline of the study



1.11.1 Chapter 1 Introduction

This chapter introduces the study. It describes the background of the research and the significance of for the current study. It also summarises the conceptual framework which entails the meaning of financial literacy, financial education and financial capability: financial capability stretching beyond the cognitive aspects of financial literacy, into the domains of attitudes and behaviours. Financial education discussed as an important tool to promote the financial literacy. The chapter continues to discuss the importance of financial literacy and education, the causes and effects financial illiteracy, and the solutions which may be implemented to enhance financial literacy initiatives. In addition the chapter defines the scope of the study and the context of Botswana, limiting the borders within which the research is conducted. Over and above this, it highlights the theories and models which explain the resultants of financial education hence the theoretical perspective of the study is mainly behavioural and motivational theories.



1.11.2 Chapter 2 Behavioural Change Outcomes of Financial Education

Chapter two contains the definition of the term personal financial planning and the terms associated with it: Financial literacy, financial education, financial inclusion and financial capability. It highlight the approaches to financial literacy- the cognitive driven approach and the outcome driven approach. It gives the importance (value) of financial literacy, causes of financial illiteracy, and the solutions to deal with financial illiteracy. The chapter also discusses behavioural theories of Motivation and Goal Setting as the theoretical background of the study. It also presents the Programme Theory Model the Logic model, Trans Theoretical Model linking them to measurement and evaluation of financial education.

1.11.3 Chapter 3 Financial Literacy Initiatives around the World

The chapter discusses the different financial literacy initiatives around the world providing and empirical evidence to the theories and models in chapter two. It furthers identifies problems facing financial literacy and provides solutions from literature which may be used to enhance financial literacy initiatives.

1.11.4 Chapter 4 Research Design and Methodology

The research design and methodological approach to this study is explicated in chapter three. It discusses philosophical stance of the study which is the pragmatism with a Mixed Method Research (MMR) approach. The type of MMR utilised is exploratory sequential design moving from an exploratory study using qualitative design to the quantitative design. The following are also stated in this chapter: the aim of the research, research objectives, the research questions and sub questions. It also includes the population, sampling methods and techniques. The chapter further explains the process of acquiring data and the instruments used which are structured interview questions for qualitative but a questionnaire for the quantitative approach. Lastly it explains data analysis approaches which are Thematic Analysis for qualitative data but confirmatory data analysis for quantitative data.

1.11.5 Chapter 5 Qualitative Analysis: Results and Interpretation

Chapter five of this study presents the qualitative data analysis of the structured interviews and it revealed six themes which contributed to the design of a framework of enhancing financial literacy initiatives and the development of a questionnaire for quantitative data collection. The variable from each theme are outlined indicating their relevance to be included in the questionnaire. The chapter also narrates how Qualitative Data Analysis (QDA) approach was conducted using a Thematic Analysis process to arrive at the results. It also gives an illustration of the themes in thematic networks.

1.11.6 Chapter 6 Quantitative Analysis: Results and Interpretation

This chapter presents the results of the quantitative data analysis after Confirmatory Factor Analysis of the variable identified from themes in chapter four. The chapter outlines how the analysis was conducted and how the results have been presented. The results answered the research question: What is the impact of financial literacy initiatives in Botswana.

1.11.7 Chapter 7 Findings Conclusions and Recommendations

This chapter presents the Framework of enhancing financial literacy initiatives. It explains the purpose of the framework and gives guidelines to different users on how to utilise it. It gives possible solutions to the problems identified from qualitative and quantitative analysis. The chapter also contains the conclusions and recommendations of the study. The summaries of all the preceding chapters are also given. It is also in this chapter that the limitations of the study are shared.

1.12 Chapter summary

Financial markets are forever changing demanding the consumer to be well informed so that they make better decisions. This empowerment comes through financial education with the rationale that they will be able to improve their personal financial management. Some companies, agencies and institutions have financial literacy initiatives to assist. It is important therefore to evaluate these initiatives and measure the impact of financial education on the consumers. This will always give opportunities to know the levels of financial literacy in Botswana and help make recommendations for improvement. With reports of lack of consumer empowerment reported yet the absence of national coordination of the initiatives, there is need to provide a framework to guide implementation. Sparse and fragmentation initiation with no central regulation does not provide standards for implementation or measurement, element which can surely enhance the initiatives. This framework will assist the government at policy level to decide on a strategic agenda and all stakeholders approach to implementation - A much needed turn around to combating low levels of financial literacy in the country especially among the vulnerable groups.

CHAPTER 2 BEHAVIOURAL CHANGE OUTCOME

2.1 Introduction

The second chapter discusses personal financial planning and provides the definitions of associated concepts which are: financial education, financial inclusion and financial capability. It discusses the conceptual framework of the study by highlighting the different approaches to defining financial literacy. It further discusses theories (motivational theory and goal setting theory) models (Programme Theory Evaluation (PTE), The Logic Model and the Trans-Theoretical Model of Change) linked to the transformational process which aids financial education to translate into behavioural change outcomes.

2.2 Personal Financial Planning

Financial planning is a concept in the economics discipline dealing with individuals making decisions on how to financially provide for themselves. It is an aspect of microeconomics but its contribution to the wider spectrum of financial markets cannot be underestimated because individuals make businesses grow (Drexler Fischer and Schoar 2010:19). According to Claessens, Kose, Laeven and Valencia (2009:4) their exclusion from the financial markets may contribute to systemic risk. This means that financial literacy impacts on entrepreneurs' ability to grow and achieve sustainable results contributing to economic growth (Musei, 2015:11). According to Mandell (2009:1) the crisis in the United States of America provoked stakeholders to find out the problems which led to it so that measures could put in place to avoid a repeat of such in future. It was realised that one of the factors which led to the crisis was financial illiteracy- a problem to be solved by the use of financial education. The implication is that, if consumers were literate enough, and understood that were subprime for loans they would have planned better and prevented such a crisis. They would have assessed the services provided and rejected those which brought them into debt.

According to Monticone and Messy (2011:17) personal financial planning tied with financial education which informs clients to make better decisions. This

positions the value and place of personal financial planning and education in the whole arena of economics as a discipline. The consequences of lack of planning and managing personal finances do not only affect individuals, it can translate into huge detriments to the society at large as witnessed during the world economic crisis period. In vice-versa when there is value created for the individual the larger economy is accorded benefits. According to Monticone and Messy (2011:17) “improving financial literacy can have positive spill-over effects on the economy and the society as a whole. By fostering long-term saving, financial education can promote the development of formal financial markets and infrastructure, ensuring that the financial sector makes an effective contribution to real economic growth” (Musei, 2015:11). The place of financial literacy therefore is in microeconomics yet a part of the macroeconomics. It is more especially under information economics, as consumers need to be educated so that they may not be victims of information asymmetries. Hence there are very important terms to define relating to personal financial planning: financial literacy, financial capability and financial education.

2.3 Approaches to defining financial literacy

There are several approaches to defining financial literacy but the ones discussed in this study are the cognitive driven approach and the outcome driven approach

2.3.1 Financial Literacy- the cognitive approach

According to Hung, Parker and Yoong (2009:5) the concept of financial literacy has varied definitions from different authors and researchers. Sebstad Cohen and Stack (2006:2), Mandell (2007:163) though have the same definition

“Financial literacy is the ability to evaluate the new and complex financial instruments and make informed judgments in both choice of instruments, and extent of use that would be in their own best long-run interest”.

This definition focuses on aptitude and the importance of financial literacy that should be shown by an individual in making the right financial choices. It can be inferred that being well-informed is critical in making those choices and that

such choices should not only be for immediate remedies but as well as have far-reaching value addition. Hilgert, Hogarth and Beverley (2003:3) define financial literacy simply as “*knowledge*”. Knowledge gives a cognitive approach to defining financial literacy because knowledge is about comprehension and understanding. This approach as analysed by Holzmann, Mulaj and Petrotti (2013: 19) affirms possessing financial knowledge to be able to understand and grasp notions on concerning financial products and services, and even the ability to utilise that understanding in personal financial management. Lusardi and Tufano (2008:1), focusing on debt management, affirm that it is “the ability to make simple decisions regarding debt contracts, in particular how one applies basic knowledge about interest compounding, measured in the context of everyday financial choices.” In making deductions from this statement, Lusardi and Tufano (2008:1) underscore financial literacy to be enough for the creation of awareness on financial issues and this may be all which is needed by the consumer. According to Sebstad Cohen and Stack (2006:2):

“Financial Literacy is the knowledge of financial concepts and the skills and attitudes to translate this knowledge into behaviors that result in good financial outcomes. This definition introduces the domains found in financial literacy which are: “(1) knowledge, (2) skills, (3) attitudes and (4) outcomes.”

However Kempson, Petrotti, and Scott (2013:9) say there is what is called: “evidence of financial capability,” They contend the above definition to be outdated as it accommodates only the intellectual aspect of what constitutes financial literacy. According to them there is also the behavioural aspect which through its display in human interaction is “evidence of financial capability,” The behavioural aspect accommodates the view that knowledge must be applied to show that it has become useful to the individual. These many definitions that have been alluded to by Hung, Parker and Yoong (2009:11) with additional analysis from the researcher are illustrated below.

Table 0-1: Definitions of financial literacy

Source	Conceptual Definition	The Researcher' Analysis
Hilgert, Hogarth, & Beverley (2003:3)	Financial <i>knowledge</i> (Page 3)	The focus is on one domain of the concept of financial literacy. Although this is the central domain it does not fully define the concept.
FINRA (2003:2)	"The <i>understanding</i> ordinary investors have of market principles, instruments, organizations and regulations" (Page 2).	The "understanding" aspect highlights that an individual has to comprehend the concepts used by investors, the players in the field of investment. This view has narrowed itself only to the one concept of knowledge of the concepts of financial literacy. This relates to the domain of knowledge in the concept of financial literacy
Moore (2003:29)	"Individuals are considered financially literate if they are competent and can demonstrate they <i>have used knowledge</i> they have learned. Financial literacy cannot be measured directly so proxies must be used. Literacy is obtained through practical <i>experience</i> and active <i>integration of knowledge</i> . As people become more literate they become increasingly more financially sophisticated and it is conjectured that this may also mean that an individual <i>may be more competent</i> " (Page 29).	The focus is on the competency and characteristics of a financially literate person who puts knowledge into practice. It also alerts how difficult it is to measure financial literacy directly and therefore alternatives must be used to arrive at a close measurement. Still what is important is the aspect of knowledge which is common in most definitions.
National Council on Economic Education (NCEE) (2005:3)	" <i>Familiarity</i> with basic economic principles, knowledge about the U.S. economy, and <i>understanding</i> of some key economic terms" (Page 3).	There is implication of just being aware from the word familiarity and it would not matter if the comprehension is not deep. The connotations of understanding just like those analysed above depict that there are economic concepts forming the key areas for the knowledge domain of financial literacy.
Mandell (2007: 163- 164)	"The <i>ability</i> to evaluate the new and complex financial instruments and <i>make informed judgments</i> in both choice of instruments and extent of use that would be in their own best long-run interests" (Pages 163-164).	This definition, unlike the (NCEE) (2005:3), demonstrates that it is not enough to just have familiarity but individuals must also have the ability to comprehend complex instruments.
Lusardi and Mitchell (2007c: 36)	<i>Familiarity</i> with "the most basic economic concepts needed to make sensible saving and investment decisions" (Page 36).	Just like (NCEE) (2005:3) an awareness of the economic concepts is enough to be able to save and invest. The focus is only on savings and investments but everyday budgeting and consumption has to be learnt.
Lusardi and Tufano (2008:1)	Focus on debt literacy, a component of financial literacy, defining it as "the <i>ability to make simple decision</i> regarding debt contracts, in particular	The focus is on every-day financial choices and the use of basic knowledge. Other than debt management individuals must also

	how one <i>applies basic knowledge</i> about interest compounding, measured in the context of everyday financial choices" (Page 1).	be able to manage savings and investments.
ANZ Bank (2008:1), drawn from Schagen (200:17)	"The <i>ability to make informed judgements</i> and to take effective decisions regarding the use and management of money" (Page 1).	This focuses on the applied aspect, answering the questions on what should be the result of financial literacy, and what are the competency outcomes expected.
Lusardi (2008a:2, 2008b:2)	" <i>Knowledge</i> of basic financial concepts, such as the working of interest compounding, the difference between nominal and real values, and the basics of risk diversification" (Page 2).	The domain of knowledge emerges as like in the other definitions above and this helps draw the conclusion that it is central to the concept of financial literacy. The concepts that are mentioned may be contextual depending on the audience and the environment where the financial literacy programme is implemented. The list of concepts is also more than what has been mentioned.

Source: Hung, Parker and Yoong (2009:11)

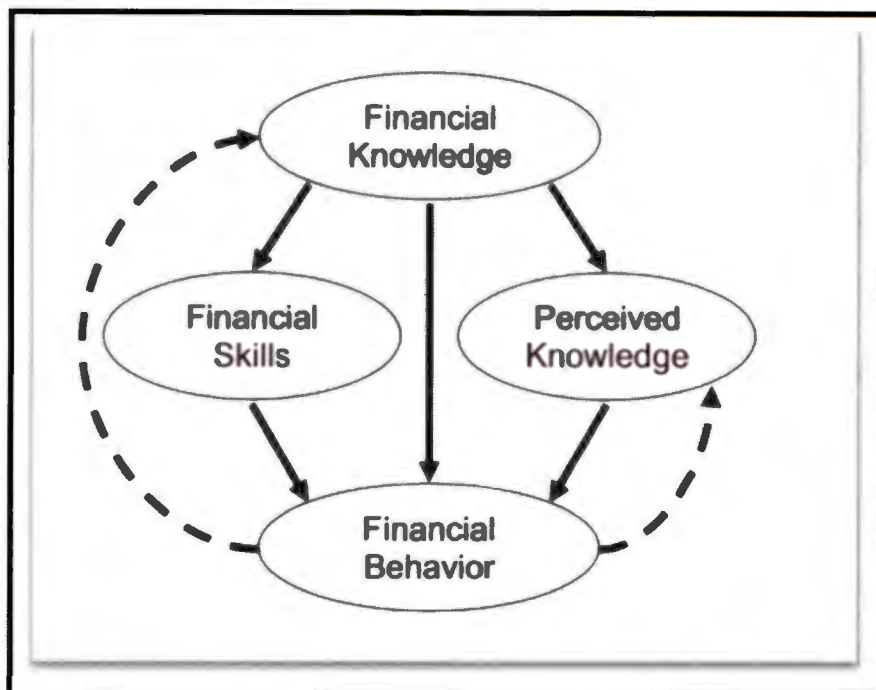
In view of the above, financial literacy is deemed to give ability and its measurement to attest someone is financially literate, is when that ability of making financial decisions is exercised. This implies the reasons for financial literacy. The overall reason is the one provided by the definition of The President's Advisory Council on Financial Literacy (PACFL 2008) "Financial literacy: the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being." This definition brings about the expected outcome of financial wellbeing for financial literacy which may fall under the importance of financial literacy. Hung, Parker and Yoong (2009:11) say that this might be viewed as a consensus definition yet:

"it largely rests on the ability to use knowledge and skills towards achieving financial well-being, and is hence quite behaviourally based. While practically relevant, such a focus limits insight into mechanisms that have an impact on financial literacy."

They argue that financial knowledge, skills, and behavior, as well as their mutual relationships, ought to be considered in an overarching conceptualization of financial literacy. This study therefore adopts the conceptual model by Hung, Parker and Yoong (2009:11) which encompasses four instead of three domains of financial literacy and their mutual relationships.

This is adopted as the conceptual framework for this study as illustrated in a diagram below:

Figure 0-1: Domains of financial literacy



Source: Hung, Parker and Yoong (2009:11)

2.3.1.1 The knowledge Domain

This is the domain in the definition of financial literacy revolving on understanding and comprehension of concepts. The individual has to understand the content and the meaning that is portrayed. Every financial literacy initiative is aimed at imparting selected content at the level of understanding of the targeted audience. Hung, Parker and Yoong (2009:15) states that: “knowledge means having an understanding of personal financial issues indicating financial knowledge and understanding”

Kempson and Atkinson (2008:2) agree with this because they write that understanding financial issues is indicated by being able to comprehend how to use money and how to make financial decisions to meet personal needs. According to Kempson, Petrotti and Scott (2013: xii) topics which are usually tied and matched with financial knowledge are “compound interest, inflation, and risk diversification.” This surely is not the only knowledge for target audiences of financial literacy initiatives as financial concepts are broad: issues

such as budget, investment, portfolio, debt and come into close focus. The cognitive component of financial literacy includes: “being knowledgeable, educated, and informed on the issues of managing money and assets, banking, investments, credit, insurance, and taxes” and “understanding the basic concepts underlying the management of money and assets (Willies, 2008a:4). There is surely a variety of issues that a particular consumer may have to learn or absorb. Lusardi and Mitchell (2011:2) explain that the most vital point is for the individual to know information which is relevant to their situation and circumstances, helping him survive throughout the stages of his life In their analysis of what constitutes knowledge Kempson, Petrotti and Scott (2013: xii) view knowledge should consist of: “1. Mathematical skills which is usually called numeracy, 2.the simple awareness of the existence of financial issues, products, and institutions”. The above is shared by Guiso and Jappelli (2005) and Carpena *et al* (2011:2) also adding to say that the third category is being able to do what is expected by a financial service provider like: “how to open a bank account or how to use an ATM card”. They outline that there are three distinct dimensions of financial knowledge which are (1) numeracy skills (e.g. computing interest rates), (2) basic financial awareness (e.g. bank account opening requirements), and (3) attitudes towards financial decisions (e.g. belief in insurance products). Among these three aspects, it is clear that individuals must develop a positive attitude to managing their finances.

However according to Carpena *et al* (2011:2) financial literacy does not quickly benefit a person to know the value of what they have learnt but what is important is that it makes the person have behavioural change in the way they manage their personal finances. This means financial literacy is not a once off initiative but a gradual process and translation of knowledge that starts from basic awareness. If the application of knowledge is expected to be applied at a complex level immediately it becomes a barrier to developing individuals. Another inhibition to the application of knowledge is monetary incentives as they do not induce better performance, cognitive constraints rather than lack of attention are a key barrier to improving financial knowledge. While such financial knowledge may be necessary for making good financial decisions Carpena *et al* (2011: ii) have broader definition of knowledge implicating

financial behaviors to be included in the definition. Among these authors are Mandell and Klein (2007) who find lack of skills, lack of inspiration, lack of discipline, lack of timely response to issues, to constitute impediments to the translation of knowledge. This indicates there should be more explanation other than financial knowledge to contribute towards the conceptual analysis of financial literacy. Other challenges to achieving financial literacy are as viewed by ASIC (2011:4) to be: confronted with lots of alternatives in decision making, lack of discipline, ambiguous environments and a lot of information to deal with and not being sure of the extent of knowledge has. Outlined challenges above show a possibility of many variables contributing to utilisation of the knowledge learnt. According to Hung, Parker and Yoong (2009:15) how much the individual think they know can be an impediment. They say that studies now claim the extent of what someone knows may be less or more than what actually is and they call this: "over/under confidence". This means individuals do not usually know the extent of their actual knowledge. This may affect consumers as some may think they have enough knowledge to handle financial issues. Therefore financial literacy "confidence in planning effectively for future financial needs", means feeling sufficiently self-assured to make decisions relating to one's personal finances. In relating perceived knowledge and confidence it can be said that knowledge itself makes someone confident in making decisions. Rooij, Lusardi and Alessie, (2011:3) write that:

"Respondents with more confidence in their financial knowledge have a higher propensity to plan and high level of financial knowledge reduces planning costs, i.e., reduces the economic and psychological barriers to acquiring information, doing calculations and developing a plan."

According to Lusardi & Mitchell, (2007) consumers must tackle this problem by reading, by gathering relevant information and from time to time check how much they really know. They should also have intrinsic motivation in wanting to know and enhance their decision making skills. Willies (2008:4) says that for a person to be able to apply financial literacy effectively, it needs the individual to build confidence which is at moderate level. This will help them not to have the fallacy that they know while they are insufficient. They should be able to

understand the level of knowledge they have so that they may not think they can tackle difficult situation when it is really contradictory. Willies (2008a:4) write the disadvantage about overconfidence is that a person may think they are self-reliant and not get help. Willies (2008a:4) says that those who are under confident are timid are not willing to consult and get the right information hence they often select wrong financial choices. Arellano Camara and Tuesta (2014:12) state that “Individuals have imperfect information about their abilities, so that high levels of self-confidence associated with not so high levels of knowledge could give rise to decisions that are more beneficial than combinations associated with greater knowledge but low levels of self-confidence.”

2.3.1.2 The Skills Domain

The skills domain also demands the application of knowledge. Hung, Parker and Yoong (2009:15) states that: “skills means being able to apply knowledge to manage one’s personal finances.” According to Thomson (2012:11) it means being able to comprehend information, notice differences and similarities, judging and using what has been reviewed in their circumstances. These basic skills as Thomson (2012:11) writes are: “mathematical literacy, such as the ability to calculate a percentage or to convert from one currency to another, and language skills, such as the capacity to read and interpret advertising and contractual texts.” This is basically the ability to transfer what has been learnt into practice and use the knowledge for what it was intended for: - Knowledge transfer. Kempson and Atkinson (2008:2) is in support of this by saying use of skills is being able to apply knowledge learnt even in foreseeable and unanticipated circumstances, and they being able to come up with solution to the challenges the financial environment has presented.

According to Falahati *et al* (2011:6086) differentiating knowledge from skills, financial knowledge refers to financial information and literacy; however, financial skills are the ability to apply such knowledge to make financial decisions and planning. Consumers need these skills to deal with situations in different financial settings and the changes that may arise within the same environments. This is because Kempson *et al* (2006) define financial skills as:

“the ability to understand and manage across a range of financial contexts including both predictable and unpredictable situations”. This emphasises the importance of research and application of knowledge. However this has not been the case in most evaluation researches of financial literacy programmes and this is attested by Falahati et al (2011:6086) as they state that:

“Although most studies consider financial knowledge as a basic element of financial decision making and planning, only a few focused on financial skills. There is a difference between providing information as knowledge and the ability to apply it”.

According to Cackley (2011:3) skills learnt must be applied in everyday situations. Pellinen *et al.*, (2011) simply states that: “know-how shown in the practices and habits formed in everyday and long-term financial management.” In view of the deliberations made by Falahati *et al* (2011:6086), Cackley (2011:3) Kempson *et al* (2006), it is concluded that knowledge should not be construed to be an end in itself but it should be put to practice for personal financial management in authentic and real financial situations.

2.3.1.3 The Behaviour and Attitudes Domain

The purpose of financial literacy is not only to manifest the cognitive aspect but it is crucial to include the non-cognitive attributes. Thomson (2012:14) purports that:

“Financial literacy involves not only the knowledge, understanding and skills to deal with financial issues, but also non-cognitive attributes: the motivation to seek information and advice in order to engage in financial activities, the confidence to do so, and the ability to manage emotional and psychological factors that influence financial decision making. These attributes are considered as the goal of financial education, as well as being instrumental in building financial knowledge and skills.”

The above statement assist to make a conclusion that financial education does have to end at receiving information or gathering knowledge there has to be applicability of such for the wholeness of a person. Its impact reaches other

areas of life: emotions and psychological stability. If these goals of financial education are met the financial literacy programme would add such value to consumers. The attitudes to be cited are those of prudence in money management, consistency in budgeting, sound investment and financial responsibility. According to Mundy and Musoke (2011:54), it is important to start developing these attitudes from an early age because these translate into helping individuals make better financial decisions when they are adults. This is why some researchers focus their attention on financial literacy for children. Attitudes are reflected in the behaviours that people portray. Anders *et al* (2011:7) and Tustin (2010:1096) define the financial attitudes construct to include items displayed in the table below:

Table 0-1: Constructs, behaviours, attitudes and analysis

Item in Construct Tustin (2010:1096)	Behaviours Anders <i>et al</i> (2011:13)	Attitudes Anders <i>et al</i> (2011:13)	Analysis by the Researcher Anders <i>et al</i> (2011:13)
Views on general experience in dealing with money (boring, stressful and overwhelming)	Spending behaviour Saving behaviour Debt Management behaviour: Focuses on major debt and how to manage debt, including residential loans, vehicle and student loans, and other types of loans.	Attitudes Toward Financial Situation and Future: Focuses on attitudes about whether respondents feel financially secure now and whether they believe their financial situation will improve.	Confidence and calmness: <i>consumers must develop the attitude of calmness and develop and create rapport with money- in using it, keeping it and investing it.</i>
Financial sustainability, financial stability, savings	Saving Behavior: Focuses on saving behavior, use of bank accounts, reasons for saving, and how often and where one is likely to save money for future goals.	Attitudes Toward Saving: Measures attitudes toward saving including where respondents secure their information, if they plan to save, and how important saving is to them.	Sense of responsibility, consistency, patience: <i>Issues of stability and sustainability need an attitude of consistency and patience when increment and interest is slow.</i>
Relevance of financial planning across different income groups,	Saving Behavior: Focuses on saving behavior, use of bank accounts, reasons for saving, and how often and where one is likely to save money for future goals.	Attitudes Toward Saving: Measures attitudes toward saving including where respondents secure their information, if they plan to save, and how important saving is to them	Sense of planning: <i>Consumers must understand the value of planning and be able to derive value from it. Lown (2010:5) writes that financial knowledge and planning are clearly interrelated: women who display higher financial literacy are more likely to plan and be successful planners.</i>
Changes in money management over time,	Response to Financial Change: Focuses on how the respondent has in the past or will in the future, respond	Attitudes Toward Financial Situation and Future: Focuses on attitudes about whether respondents feel	Agility and flexibility: <i>As the financial environment changes and consumers must be agile enough to respond to new challenges.</i>

	to a significant change in financial situation, such as an unexpected cash gift or expense of significant size	financially secure now and whether they believe their financial situation will improve.	
Financial difficulties, income adequacy to meet living expenses,	Spending Behavior: Documents respondent's spending behavior including how they pay bills, whether they wait for sales or use coupons, and whether they track and plan their spending.	Attitudes Toward Spending: Focuses on attitudes toward spending, including priority expenses and whether respondents believe themselves to be "smart spenders".	Responsibility: <i>An attitude that is needed to manage households, making provisions and facing challenges.</i>
Financial planning to live comfortably,	Attitudes Toward Saving: Measures attitudes toward saving including where respondents secure their information, if they plan to save, and how important saving is to them	Attitudes Toward Saving: Measures attitudes toward saving including where respondents secure their information, if they plan to save, and how important saving is to them	Sense of planning, contentment: They should be an attitude mapping out how they use their resources to be comfortable and meet their needs
Frequency of consulting financial advisor(s),	Saving Behavior: Focuses on saving behavior, use of bank accounts, reasons for saving, and how often and where one is likely to save money for future goals.	Attitudes Toward Saving: Measures attitudes toward saving including where respondents secure their information, if they plan to save, and how important saving is to them.	Quest for knowledge: <i>Being inquisitive is the right attitude towards learning, consulting and asking questions is positive. Consumers must make it their own initiative to get advice.</i>
Paying credit bills on time or credit card bills in full to avoid finance charges, debt,	Building and Managing Credit: Focuses on respondent's experiences building and managing credit, such as use of credit cards, debit cards, prepaid cards, and whether respondents have looked at their credit report or know their credit score.	Attitudes Toward Credit and Debt: Measures attitudes toward credit and debt, including using credit and going into debt for major items.	Responsibility, prudence, commitment: <i>Individuals who pay bills are able to manage their debt are prudent, responsible and committed to managing their resources. They should not let the cost of debt be compounded by the increase of interest from defaults in payment.</i>
Financial readership and thoughtfulness in financial judgment.	Saving Behavior: Focuses on saving behavior, use of bank accounts, reasons for saving, and how often and where one is likely to save money	Attitudes Toward Saving: Measures attitudes toward saving including where respondents secure their information, if they plan to save, and how important saving is to them	Quest for knowledge and a duty to be informed: <i>Consumers must develop this attitude so that they may know the financial trends affecting them.</i>
Satisfaction with current financial situation and savings for retirement,	Strategic Use of Formal Financial Resources: Focuses	Attitudes Toward Use of Financial Resources: Focuses on attitudes	Contentment, futuristic: <i>Consumers must make decision on how they will retain the same comfort in future as</i>

	<p>on the use of formal financial resources, from banking to long-term investments and retirement savings products.</p>	<p>toward financial resources that are available, how one secures information about financial resources and their use, the level of importance those resources have, and a self-assessment of skill level in utilizing financial resources appropriately.</p>	<p><i>they have in the current state. This is also part of planning and showing responsibility over the use of resources.</i></p>
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Sources: Tustin (2010:1096) and Anders *et al* (2011:13)

Responsibility is one of the major attitudes reflected in the table above and according to Kempson and Atkinson (2008:2): financial responsibility is the ability to be able to understand the overall picture of the influence of the resolves one make about the self and other people. In addition the ability to know what is expected from them by the society as a whole. Remund (2010:284) argues that:

“Financial literacy is a measure of the degree to which one understands key financial concepts and possesses the ability and confidence to manage personal finances through appropriate short-term decision-making and sound, long-range financial planning, while mindful of life events and changing economic conditions”.

This depicts responsibility, an attitude of being able to have the sense to deal with situations and circumstances. An individual who has awareness that change occurs in the economic and financial environment and may bring new dynamics has an attitude of financial responsibility. This responsibility is shown in different settings or social units like the family, church, work etc. The major activities which reflect responsibility are planning, budgeting, investing and being able to pay debts/liabilities as and when they are due. Mastering all this ultimately gives confidence in financial decision making. This should not however only be attributed to the impartation of financial education as Holzmann Robert (2010:7) state:

“Even if the attitude issues can be overcome by financial education, a desire to, say, plan their finances is instilled in consumers, there may be

powerful impediments to change behaviour to follow through with the saving plan.”

This communicates that financial education may not be a single factor to changing behaviours and attitudes and some may not be controlled by the initiative or programme implemented. This is supported by authors like Willies (2008a:45) who contend that the impact of financial education to have the basis of psychology rather than knowledge to be the major influence people’s action and behaviours. A display of confidence is also an attribute that indicates positive attitudes towards financial matters as discussed earlier under perceived knowledge but Willies (2008a:42) further says that confidence is not a measure of literacy because some of the least knowledgeable consumers appear to be the most confident. Although this criticism is acknowledged and further elaborated in the theoretical segment in the next chapter of this study, it does not mean the value of financial education is non-existent and that attitudes may not be differentiated from the efforts of financial literacy initiatives.

2.1 Financial Capability – the outcome driven approach

Since some authors from the aforementioned discussion find it important to discuss financial literacy beyond knowledge, skill and attitudes, the researcher has also found financial capability a vital term in building the conceptual framework of the study. This is supported by Frączek and Klimontowicz (2015:63) stating that: “While examining financial literacy, it is necessary to discuss financial capability. That kind of capability is the result of the development of individuals’ financial knowledge and skills”.

It is therefore interpreted that these have to blend together: Knowledge (concepts and content), skills (the ability to apply application) and the attitudes (manner and behavioural outcome) to display capability. In support to this contention Remund (2010:284) says that: “Financial capability has recently been introduced as the next possible iteration of the financial literacy concept.” This intertwines financial literacy with financial capacity. It is further said by Frączek and Klimontowicz (2015:62) that the concept of financial literacy turned into concrete measurable criteria for financial literacy so consequently it has to

be included in the financial literacy formula or as one of the aspects to be measured in the evaluation of financial literacy. Kempson, Petrotti and Scott (2013: xiii) say that the view of what financial literacy is has changed and that there is progressive action towards accepting attitudes and behaviour to be major components of financial literacy. The circumstances in which people reside and interact should also be taken into consideration. The implication is that both intrinsic and extrinsic motivation plays a part in influencing financial behaviour. This is because Kempson, Petrotti and Scott (2013: xiii) state:

“To reflect the increased focus on behavior rather than simple knowledge, the term “financial capability” has come into use to extend the concept beyond the narrower idea of “financial literacy.”

Therefore from the above deliberations the definition of financial literacy integrates both the cognitive approach with the outcome-driven approach. This integration, according to Holzmann, Mulaj and Petrotti (2013:81), represents a shift in conceptualisation and measurement from a cognitive-based to an outcome-driven approach. Explaining the approach Holzmann, Mulaj and Petrotti (2013:81) state that:

“According to the outcome-driven approach, if an individual makes a good financial decision, he or she is considered financially capable regardless of whether the decision followed a cognitive or a non-cognitive route.”

From this explanation the focus is on the final outcome rather than on knowledge received by the individual but what is important is the result showing application of that knowledge. In addition to this, the characteristics of a financially capable individual are outlined by Holzmann (2010:4) saying that financial capability proposes that at the end of the day financially capable individuals should demonstrate a desired financial behavior such as drawing-up a budget, and planning and saving for old age. These are some of the outcomes considered in the impact analysis of financial literacy initiatives conducted on the recipients of financial education in this study. These characteristics are augmented by Kempson and Atkinson (2008:8) affirming that

“A financially capable person is one who has the knowledge, skills and confidence to be aware of financial opportunities, to know where to go for help, to make informed choices, and to take effective action to improve his or her financial well-being while an enabling environment for financial capability building would promote the acquisition of those skills.”

As much as the outcome driven approach is highly recommended, the concept of financial capability is not without criticism. Carpena *et al* (2011:17) attest financial education to influence financial awareness and attitudes and acknowledges that there is causal framework between financial literacy training and financial outcomes. According to Carpena *et al* (2011:17) eventhough this causal relationship has been established, it is difficult to measure it and come up with an evaluation framework which incorporates financial capability. While the broader concept of financial capability seems to be promising Kempson, Petrotti and Scott, (2013:3) say that for providing standardisation from the diversity found in cultural contexts, in educational backgrounds it is not easy yet to do for measurement and evaluation. In addition Kempson, Petrotti and Scott (2013:3) argue that a common ground has not been found which defines financial capability making it difficult to have standardised instruments and information which adequately to assist policy makers to play their part in campaigning for financial education to reach the target groups.

Despite the above challenge Holzmann (2010:22) says that the main progress which has been made in financial capability is in some studies which have been carried out. According to formula Holzmann (2010:22) financial literacy in terms of measurement and evaluation is quite in its infancy and not yet that developed. Holzmann (2010:22) also says that the results from these researches would be consistent with the lessons from behavioural finance which suggest that psychology and not education matter for financial behaviour. This means that there should be more testing, including of alternative interventions such as “edutainment” (Holzmann 2010:22). However imparting education needs psychology to deal with the minds that receive the skills, knowledge and attitudes to fashion desired behaviours. From this then it may be said that while it may not be at the same degree both education and psychology

matter in financial behaviour. Kempson (2008:8) brings in another challenge to say that:

“Even with this broader definition, problems in identifying effective interventions persist. The key challenge in adopting a more holistic definition is that the interventions become more diverse in their design and may follow different theories of change. As the range of interventions expands, careful thinking is required to develop a standard results framework that allows for accurate comparison of findings across projects and countries.”

The stated challenge indicates complexities in making standardised measures for financial capability implying slow progress in measurement and evaluation of the concept – it is not easy to establish homogeneity in such diversity. A further limitation highlighted by Kempson, Petrotti and Scott (2013:3) is that the advanced economies are the ones which have evidence of financial literacy and financial capability of researches and studies while this is lacking in developing countries. Kempson, Petrotti and Scott (2013:3) state that:

“It is not clear to what extent this approach applies to less developed countries where skills related to day-to-day money management are more important and the type of knowledge usually identified as a sign of financial literacy in high-income countries is less obviously relevant. In short, there is a dearth of tools to measure financial capability in low- and middle-income countries.”

This is a characteristic which also describes Botswana being a developing country with minimal research on the measurement and evaluation of financial literacy or financial capacity, and with no standard evaluation framework. It is interpreted from the statement that there is not easy to borrow and adopt the measures from advanced economies because the constructs, the circumstances and the perspectives with the developing countries reflect a wide variation in comparison and contrast. This is why developing countries like Botswana do not have much literature to analyse and use in a study of this kind.

2.4 Financial Education

Financial literacy assists in personal financial planning and it is transmitted to individuals through a process using different approaches in order to achieve expected outcomes. This process is called financial education and it is defined by Hung, Parker and Yoong (2009:5) as:

“Financial education is the process by which people improve their understanding of financial products, services and concepts, so that they are empowered to make informed choices, avoid pitfalls, know where to go for help and take other actions to improve their present and long-term financial well-being.”

In view of this definition the two concepts differ as financial literacy is what the individual acquires while financial education is the process by which this financial literacy is acquired. This differentiation is further highlighted by Huston (2010:310) stating that:

“Financial literacy education, which is aimed at improving a person’s level of knowledge and/or ability, can and should be tailored to suit different demographics, life stages and learning styles - certainly not as a one-size-fits-all approach. Thus, it is important to clearly differentiate financial literacy from financial literacy education.”

The vital idea from this claim is that financial literacy is mainly about the questions: “WHAT” What is being learnt and financial education being about “HOW” How is this Learnt? (Huston 2010:310). Organization for Economic Cooperation and Development (OECD, 2005) defines financial education as:

“A process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction, and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.”

From this definition three common but vital points have been raised:

1. **Financial education** – that it is a process to providing financial literacy: implies the use of the transformation model where there are inputs that have to go through a process to transform something to bring about output/ outcomes.
2. **The benefits /value of financial education:** denotes the outcomes and importance of financial education. Improve consumers/investors' understanding of financial products and concepts (Fox, Bartholomae, and Lee 2005:105) Develop skills and confidence of the consumer/investor (Remund 2010:288) Consumer/investor become aware of risks and opportunities (Johnson and Sherraden 2006:6) Helps consumer make informed choices (Lusardi 2013:4).
3. **Approaches:** “through instruction and objective advice”: indicates the delivery modes that are used to offer financial literacy (Hastings, Madrian and Skimmyhorn, 2012:30).

The purpose, the approaches, and the benefits of financial literacy are discussed elaborately in chapter three but the next section is an explanation as to how financial education is a process stating the inputs invested and outputs expected.

2.4.1 Financial Education as a Process

According to Hung Parker and Yoong (2009:7) defines financial education as a process referencing PACFL (2008) they state the following:

“Financial education is a process through which financial knowledge and skills are gained, rather than the knowledge and skills themselves. Hence, financial education should be considered a concept that promotes financial literacy.”

This process of financial education as Arellano, Cámara Tuesta (2014:3) writes is important and pertinent for developing competences that an individual may use financial decision-making. The combination of knowledge and practice in the area of finance defines the cognitive as well as the outcome part which is the individual financial capabilities. Frączek and Klimontowicz (2015:63)

mention that both terms, financial literacy and financial capability, are strictly connected with financial education, which is considered to be the solution to the problem of financial illiteracy. These arguments make an intertwined web of financial literacy and financial capability showing a thin separation of the two and that both of them should be included when measuring and evaluating impacts and outcomes of financial education. In terms of linking the domains of financial literacy to financial, Robson (2012: ii) borrowed the work of Kempson et al (2005) and (Atkinson, et al, 2006). Although Robson (2012: ii) has developed this framework, it has been adjusted to suit the terms that have already been adopted for this study: the domains are Knowledge, Skills and Attitudes instead of being called aspects. What is illustrated as domains will instead be called the indicators of financial capability. Therefore the following framework (like a matrix) has been adapted to show the link.

Figure 0-2: Domains and indicators of financial education

	1	2	3	4	5
	Making ends meet	Keeping track	Choosing products	Planning ahead	Staying informed/getting help
Knowledge	Understanding how to make ends meet	Understanding how to keep track	Understanding how to choose products	Understanding how to plan ahead	Understanding where to get information and help
Attitude	Motivation and confidence in making ends meet	Motivation and confidence in keeping track	Motivation and confidence in choosing products	Motivation and confidence in planning ahead	Motivation and confidence in getting information and help
Behaviour	Making ends meet in practice	Keeping track in practice	Choosing products well in practice	Planning ahead in practice	Staying informed and seeking help in practice

Adapted from Kempson et al (2005)

Source: Robson (2012: ii) referencing Kempson et al (2005)

2.4.2 Financial Education and the Transformation

Financial education as a process follows that the transformation model which is developed from the manufacturing background to show the transformation of resources (inputs) in a process into outputs. Heizer and Render (2009:14) say that regardless of whether the end product is a good or a service the model is applicable. It is also applicable in offering financial education because it is a service. The transformation process is illustrated below:

Figure 0-3: Transformation process model

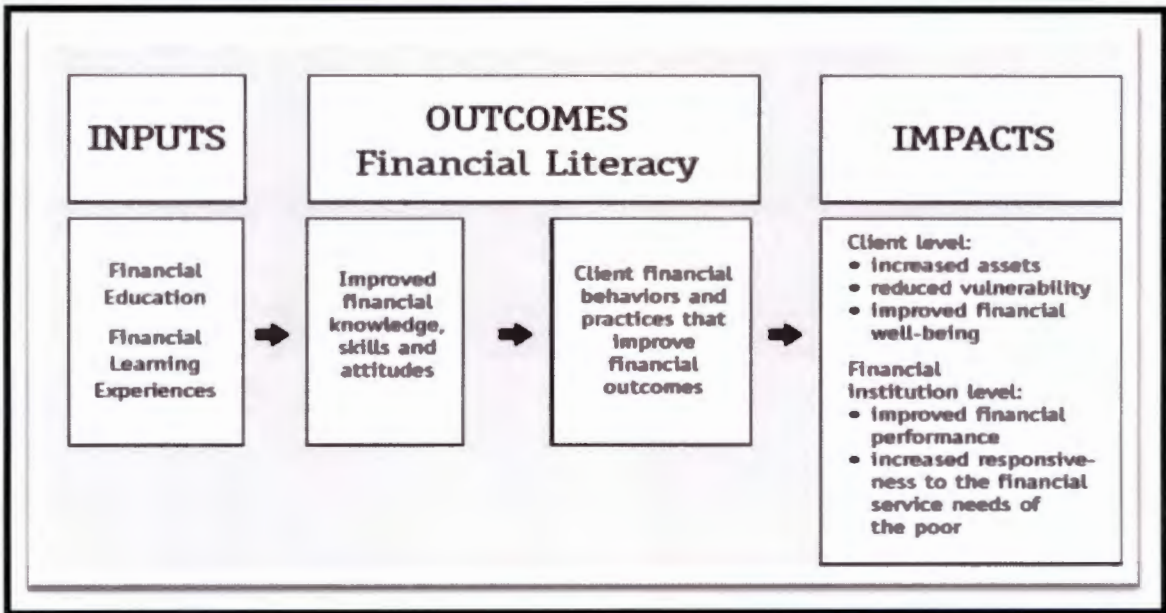


Source: Heizer and Render (2009:14)

The resources, the content are the inputs; the inputs go through a process and it is during this process that different approaches are utilised. The ultimate and overall aim is to have outcomes and in the case of financial education as a service lays the benefits/value of financial education. The model also has a feedback loop creating an environment for evaluation to get feedback about the outcomes, the inputs and the whole transformation activities. According to Lown and Nelson (2013:15) and Sebstad Cohen and Stack (2006:5) the idea of transformation process is cemented: More of the inputs are the financial literacy initiatives run in different ways some employing methods such as seminars and workshops. The target groups are also part of the inputs as they are expected to change after the transformation process. Other aspects which are transformed are the content itself as when evaluated and reviewed it calls to be adjusted for the target groups. The financial outcomes comprise of what is done by the consumers at the end of the transformation.- what has been expected to happen at the end should be displayed by the behaviour of the individual who received the education by: planning , saving controlling debt an in overall showing financial satisfaction and stability. The following is a model developed by (Sebstad Cohen and Stack (2006:3). According to (Sebstad Cohen and

Stack (2006:3) there is an illustration of the above interlink especially in assessing the outcomes of financial education.

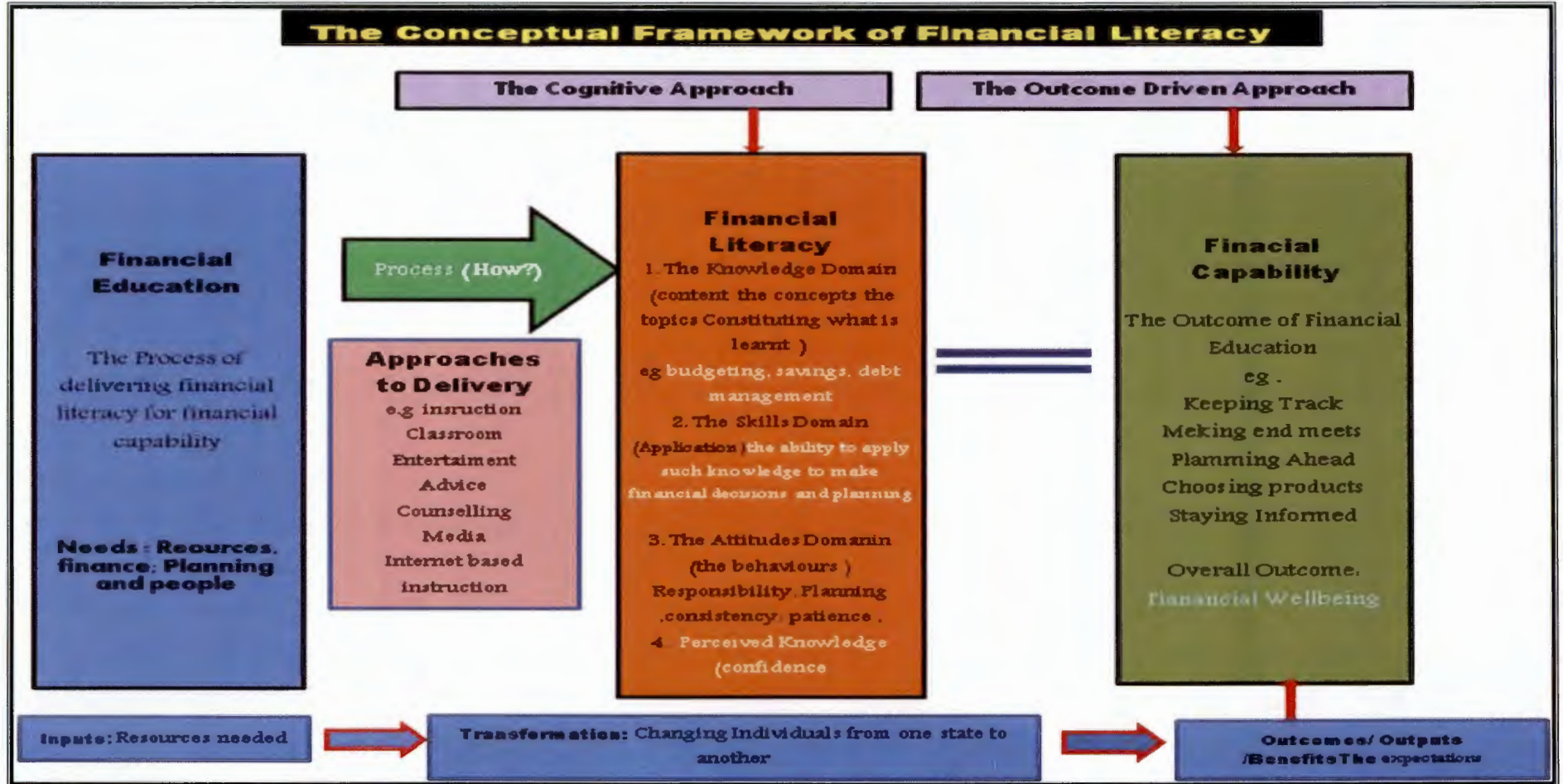
Figure 0-4: Assessing outcomes of financial education



Source: Sebstad Cohen and Stack (2006:5)

According to Sebstad Cohen and Stack (2006:3), the utility of the transformation process model above in financial education is mainly visible in programme design and in measurement and evaluation of the programme. Besides the use of the transformation process, programme design and evaluation Lyons *et al* (2006:221), advise that there is need to include some basic information about evaluation concepts and methodology, such as information in the logic model or models in conjunction with the stages of change. This illustrates a connection of the model with other models discussed in this study and as such the link is elaborated further in chapter three where these models are analysed. Having analysed the concepts financial literacy and established financial education as a process the following is the conceptual financial framework of financial literacy for this study:

Figure 0-5: The conceptual framework of financial literacy for the study



Source: Researcher (2017)

2.4.3 Behavioural Outcome Indicators of Financial Education

The objective of financial education is to transform individuals and change their personal financial behaviours. This does not mean there is consensus on the indicators of such behaviours. What is highlighted is that there should be behavioural measures of program outcomes, (Kempson and Atkinson, 2008:8) and whether or not they are positive behavioural outcomes, should be generalisable to other areas of a person's financial decision-making. Sebstad, Cohen, and Stack (2006:4) stipulate that:

“The choice of outcome indicators should be guided by a detailed conceptualization of an “impact path” which traces the relationship between a particular type of financial education; client level changes in financial knowledge, skills and attitudes; change in financial behaviors and financial outcomes; and higher-level social and institutional changes.”

In doing this assessment it should be based on a theoretical perspective and approach foundation. As for impact assessment, Lyons et al (2006:217) write that changes may be general (on behaviour) but also very financial specific for impact measurement and evaluation. The general indicators (Lyons *et al* 2006:217) used frequently are levels of satisfaction, and knowledge gained and the ones which are less frequently used include changes in skills and confidence levels, changes in intended and actual behaviour, and changes in attitudes and satisfaction levels. These are the indicators that sway more to the outcome driven approach towards financial literacy. Lyons *et al* (2006:217) say that it is only recently that financial education providers have begun to use more specific indicators to capture actual change such as dollar changes in individuals' financial portfolios (i.e., increases in savings and income and reductions in debt and expenses).

Other specific indicators (Sebstad, Cohen, and Stack 2006:4) “that do not focus on dollar changes include the development of financial plans, changes in spending habits, and building or rebuilding credit reports and credit scores.” According to Sebstad, Cohen, and Stack (2006:4) what can be

outlined to be used for measurement is a challenge because there is no experience in developing countries and no agreement on what should determine the success of the initiatives. This is however the opposite of what characterises the developing countries (Lyons et al., 2003:209). Developed countries may have programs which are more mature but evaluations have not reached consensus on the matter. Therefore Robson (2012:7) argues that there is no specific theory attributed to financial literacy because financial literacy is still a new and an evolving field of study both in theory and practice.

2.5 Behavioural Theories of Change

Eventhough there may be such lack of consensus a fundamental point exist for financial literacy to have found its place specifically in field personal finance and broadly in behavioural economics. Then there is need to discuss the theories from behavioural science despite the struggle and challenges outlined above. According to Robson (2012:7) psychologists and others in the behavioural sciences continue to struggle to understand the multiple links between knowledge, attitudes and observed behaviour and this is also applicable in the field of personal finance. However researchers like Xiao et al (2014:4) believe that behavior change theory can be used to develop effective financial education programs to help consumers nurture desirable financial behaviors. The theory of behavioural change is advocated for by authors such as Braunstein and Welch (2002), Fox, Bartholomae and Lee (2005:105) Hilgert, Hogarth and Beverly (2003: 309) behavioural economics and financial outcomes, Mandell and Klein (2007:107-114).

2.5.1 Motivation Theory

Among the behavioural theories of change there is mention of the theory of motivation explained by Mandell and Klein (2007:107- 114) suggesting any financial initiative should be conducted for the interest to change financial behaviour of the consumer. A study on high school students demonstrates motivation to an important driver (Mandell and Klein 2007:107) of financial literacy. In measuring and evaluating the impact of financial literacy, the

central theme should be how the education influenced the behaviour of the recipients afterwards. The expectation is to have change on how individuals or a targeted group respond to financial matters. Hilgert Hogarth and Beverly (2003:311) formed a "Financial Practices Index" based upon (self-benefiting) behavior in cash-flow management, credit management, saving and investment practices. When comparing the results of this index with scores on a financial literacy quiz, they found a positive relation between financial literacy scores and Financial Practices Index scores." The results suggest that the application of financial knowledge should be able to benefit the consumers and the environment in which they reside.

2.5.2 Goal Setting Theory

The theory of motivation and goal setting are in correlation. According to Mandell and Klein (2007a:107) "based on motivational and goal setting theory, financial literacy programs should be more effective when they are motivated by perceptions and concerns about financial well-being later in life." The Mandell and Klein (2007a:107) study indicates goal setting theory is connected to motivational principle but it does not mean that it covers all motivational issues. Mandell and Klein (2007b:23) used the motivation theory with this principle and concluded that financial behaviour of college students relates to their goals. According to Mandell and Klein (2007a:107) "Goal setting theory is grounded in the belief that conscious goals and intentions drive results." Their study is driven by expectancy and goal setting theory of motivation. Referencing Locke (1968) and Locke and Latham (1990) Mandell and Klein (2007a:107) says the principle is:

"Expectancy relates to the likelihood that specific actions will yield a certain outcome; alternately that performance is based on effort Goal setting theory is grounded in the belief that conscious goals and intentions drive results"

This means that when people have expectations they are motivated to take action to achieve their goals. According to Mandell and Klein (2007a:107), "specifically, clearly defined and more challenging goals yield higher

performance than vague, easy or do-your-best goals. To be effective, goal setting theory assumes that individuals must be committed to the goal, must get feedback and must have the ability to perform the task.” Mandell and Klein (2007a:107) write that to be effective: “goal setting theory assumes that individuals must be committed to the goal, must get feedback and must have the ability to perform the task “. The interpretation is that financial education should not be vague or an end to itself but individuals should know what they need to use it for. They should have clear goals which motivate them to learn. This is also because Mandell and Klein (2007a:107) state that: “Motivational theory suggests that measures of financial literacy should be related to financial behaviour that is in the consumer's best interests” and these best interests being the basis (goals) for learning.

In support of the expectancy and goal setting theory of motivation associated with financial literacy, Elliott III (2012:6) says that: “low-financial literacy scores are associated with a lack of motivation for developing financial literacy skills” This, according to Elliott III (2012:6) is what Mandell and Klein (2007:106) finds consistent with expectations and goal-setting theories of motivation: “Consistent with expectations and goal setting theories of motivation, the Jump\$tart survey results show that level of aspiration is one of the most important determinants of financial literacy.” This articulates that the low levels of aspiration are an impediment to learning and to becoming financially literate. Elliott (2012:6) also attests that the findings in their study are in line with Mandell & Klein, (2007:113), suggesting that the success of financial literacy classes is connected to the way children view the future and the activities they want to do in future or what they would like to achieve when they grow up.

To prove the relation between motivation and financial education, Mandell & Klein, (2007:112) tested the importance of motivation as a leading factor for financial literacy. In conclusion of their study, Mandell and Klein (2007a:112), state that: “the students' belief that financial difficulty results from poor decision-making, the importance of having enough money to pay bills and the greater motivation to save for retirement are significantly related to financial

literacy scores.” Lack of motivation too has been found to be an impediment to success in attaining financial behaviour and goals. Consequently Mandell & Klein, (2007:113) suggest that programs should align the content to what the individuals would like to achieve so that the program may be contextualised to solving their life situations or problems. This has the implications to the issues of purpose and content of financial education programme, pertaining to contextualising it to the target’s environment and level. In this case, it relates to the level of their aspiration and motivation to learn that curriculum. This study therefore supports the theory that financial education translates into financial behaviour, and that financial education is valuable to those who have received it. Even though it is not explicitly stated by Mandell & Klein, (2007), the model utilised is that of Financial Literacy Education which premises that good financial decisions and behaviour are attained from financial education. Its applicability to this study is also in relation to the conceptual framework adopted for this study as illustrated in the abridged version below:

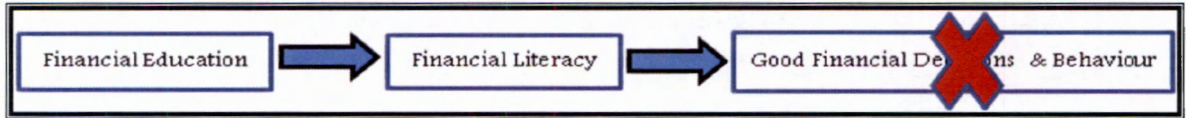
Figure 0-6: Financial literacy education model (FLE)



Source: Willies (2008b:11)

However, Willies (2008b:2) refutes this theory to say that the empowerment of individuals through financial education does not necessarily translate into good financial behaviours: “Financial education is frequently bundled with other forms of assistance. As a result, the contribution of the education to any improved financial behaviour or outcomes is uncertain.” The argument placed forward by Willies (2008b:2) is that researchers do not give reliable findings - financial literacy does not turn consumers into “responsible” and “empowered” market players (Willies 2008b:4) and therefore a rejection of the ideal model illustrated below.

Figure 0-7: Rejected financial education literacy model



Source: Researcher (2015)

According to Willies (2008b:4) the concern is that “despite some resourceful data collection methods, ingenious research designs, and rigorous statistical analysis techniques, studies have been unable to overcome issues affecting data reliability, research design, measure validity, and interpretation of results.” Their concern focused mainly on methodological insufficiencies rather than against the claim, indicating though that the studies are not valid enough to support it. Another author who gives light on shortfalls of methodological consideration for the evaluation of financial education is Fox, Bartholomae, and Lee (2005:208) who write that there is, in most cases, lack of evaluation in the component of programme design and as such the expected behaviours are not appropriately researched. These are issues on the delimitations not on the theory but on how research is conducted to end up making claims for it. This might mean also that the concern is on the delimitation of the studies conducted rather than on the contention that there is a causal relationship between financial education and financial behaviour.

On another controversy, Kozup and Hogarth (2008:135) argue that there is no one solution to the financial literacy problem which means that financial education cannot be the only catalyst to financial capability but the other factors: “Information, education, advice, policy, and assessment are all necessary—none alone is sufficient” Kozup and Hogarth (2008:132) also point out that today there are many financial education providers, faced with different challenges and prospects (Kozup and Hogarth 2008:128) presenting inconsistent results in measurement and evaluation. The inconsistency is echoed by Hung, Parker and Yoong (2009:5) indicating lack of consensus in how and what to measure resulting in biases or minimal impacts: a sign that there is no commonly agreed systematic measurement and evaluation for financial literacy.

According to Kozup and Hogarth (2008:27) the success of financial education should be linked to what the individual plans to achieve rather than to general teachings of financial education planned by the provider. This is interpreted to mean that financial education outcomes largely rest in the background of goal setting theory. In relation to the goal setting theory, Kozup and Hogarth (2008:127) concluded that behavioural changes depend on the dreams and goals of a person not on what is determined for them to achieve. This is because the consumer is not interested in the “theoretical rationale” given by the providers but they are interested in the “practically rationale” Kozup and Hogarth (2008:27) meaning that consumers are driven by what they think is important to them and is practical to achieve satisfaction of their needs and wants. The education therefore has to be practical appealing to their context and environment, and must be augmented with other strategies for complete intervention as the “whole may be greater than the sum of its parts” (Kozup and Hogarth 2008:135).

In addition to critiquing financial education and its outcomes, Clancy, Grinstein-Weiss and Schreiner (2001:12) question whether the amount of financial education matters. According to Clancy, Grinstein-Weiss and Schreiner (2001:12) education may have “diminishing returns” meaning that perhaps there comes a point where what is invested (time, resources and all other inputs) in the consumer can no longer yield anything more of the expected results. Despite these predicaments and challenges Hung, Parker and Yoong (2009:5) encourages the implementation and evaluation of financial education programmes. The implementation should be coupled with conducting evaluations in order to find out areas of improvement. According to Mandell and Klein (2007:2), clients should be encouraged to give feedback on what they have learnt as their involvement contributes to improvements in service and product delivery. Mandell and Klein (2007:2) highlights that the financial service industry has become increasingly complex and continues to change, revolutionising the financial markets. This means such measurements and evaluations and the involvement of the clientele can be of assistance to make informed decisions on how to deal with the changes.

2.6 Measurement and Evaluation of Financial Literacy

In reminiscence of the benefits of financial education outlined in the conceptual framework of this study, it cannot be helped but connect these with the importance of measurement and evaluation in financial literacy, measurement and Evaluation of financial capability, the types of measurement and evaluation to utilise, ways of developing tools and the challenges facing the researchers in conducting measurement and evaluations.

2.6.1 Measurement and Evaluation of Financial Literacy

According to Siegel (2011:15) evaluation research is a complex form that can have in itself many different purposes but its overall goal is to assess the impacts of programmes, policies or legal changes and to determine whether they have achieved its intentions with the practical focus to communicate the results and their implications to clients and decision-makers for the future development of the program or policy. Westat (2010:4) cements this writing that evaluation provides information for communicating to a variety of stakeholders. This information is used in decision making and might even have policy implications that may bring new laws and regulations.

As mentioned in the significance of the study, evaluation is also important for all the stakeholders to get results and use them for decision making. In support of this Huston (2010:310) says that "Tracking variation and change in financial literacy rates is of interest to educators, policymakers, employers and researchers. According to Collins, Odders-White and Walsh (2012:19) a well-designed evaluation will enhance the decisions made by educators and policy makers about financial educational mandates, resource allocation across financial education strategies, and the opportunity costs of classroom time. This alerts that measurement and evaluation needs to be planned as it involves resource allocation and that it helps all stakeholders to make informed decisions. Both process and impact evaluation are vital for improvement but the most pertinent is that of impact evaluation because according to Yoong and *et al*(2013:38):

“Impact evaluation is a powerful tool for learning about whether or not a financial capability program is accomplishing the goals and objectives set out for the programme. The purpose of the programme should not be isolated from evaluation strategies and this highlights the importance of the component as a yardstick to check if the education offered translated to what was intended.”

To reiterate on the importance of evaluation, Fox, Batholomae and Lee (2005:203) write that a meaningful program evaluation tied to its effectiveness. These views suggest that evaluation should be a part of the programme right from the beginning. The success of any programme is largely dependent on evaluation as the information may indicate red flags where aspects may need to urgently be attended to especially in the process evaluation or during the implementation stage of the program. In terms of the outcome evaluation, the assessment of the outcomes may indicate what should be done in future to deal with mistakes and challenges encountered. Measurement and evaluation information is a history and a baseline mark for future improvements.

Many authors Yoong and *et al* (2013:35), Hanna, Hira and Lyons (2009:89) Huston (2010:310) Fox, Batholomae and Lee (2005:203) stress the value and importance of evaluation of financial literacy programmes citing it as a way of finding out their effectiveness and the opportunity to use information for improvement. Koralalage, Lyons and Palmer (2011:9) also say that evaluation assists educators to make informed decisions about the achievement of the objectives, the gaps and the improvements to be made. They state:

“By evaluating the program, the educator identifies whether the desired outcomes of the program are being implemented as anticipated. If not, the educator can discover the program's barriers, weaknesses, strengths, and possible alternatives. A good evaluation provides input into these areas and helps educators make program improvement decisions.”

This is supported by Atkinson and Messy (2012:2) as they write that programme monitoring and evaluation is important so that it is scrutinised if it is doing well or not. Firstly it helps to save resources and realise the returns of the programme. Secondly the unsuccessful areas to improve are quickly identified to make amends. Atkinson and Messy (2012:2) continue to comment that “when robust evaluation findings are generalised to a wider population it becomes possible to predict the overall impact of a programme on a much larger scale and set well-defined policy targets.” This meaning that the results of measurement and evaluation in financial literacy are important to assist in decision making.

Measurement and evaluation is also important to inform sponsors about the value of their money and possibly attract them for future programmes. Lyons et al (2006:209) comments that sponsors need to know everything and must have evidence of what has been achieved. The quality of reporting has to be improved to not only capture statistics but to make sponsors aware that what they have funded is worth it. They need details of achievement of outcomes of the initiatives. Atkinson and Messy (2012:2) also add up that: “evaluation evidence can also inform national financial education strategies by identifying the most efficient programmes and influencing future funding decisions”. Future funding implies sustaining programmes and allowing new innovations and trends in financial education to be implemented. Atkinson and Messy (2011:3) also purports that measuring the level of knowledge and understanding of the population and assessing their behaviours with regard to their finances is important and basic to identifying excluded groups or those who are highly affected. Atkinson (2014:7) lists the importance of measuring and evaluating financial literacy to say that it enables the following capacities, to:

- Identify overall levels of financial literacy and differences by subgroup
- Look at factors correlated with levels of financial literacy (e.g. gender)
- Identify aspects of financial literacy of highest concern (e.g. savings level, credit use)
- Get findings to inform policy, gain public support, and find funding.

- Make comparisons. Across region/ country
- Measure change across time (baseline and follow-up)
- Look for major shifts in public behaviour/attitudes
- Ask relevant questions on e.g. awareness of public campaigns/ national financial education providers/ private sector initiatives

In summary a framework for the evaluation should provide solutions on how to gather information. It should inform about the effectiveness of delivery (Fox, Bartholomae and Lee 2005:203). Effective evaluation is important to provide focus and direction for future projects and programme.

2.6.2 Measurement and Evaluation of Financial Capability

Most researches usually focus on the measurement and evaluation of financial literacy with the exclusion of financial capability and this is why at this point it is quite necessary to analyse those that specifically acknowledge measurement of financial capability. Most of researches in the United Kingdom use the term financial capability rather than financial literacy. In measuring financial capability Atkinson *et al* (2006:11), comment that:

“Financial capability is a relative, not an absolute, concept. It might be possible to define a basic level of financial capability that is required by everyone in a given society. Beyond that level, the degree and nature of the financial capability required by any given individual will depend on their circumstances”.

However Holzmann (2010:4) has identified domains or aspects which can be measured from individual consumers or a cluster of groups. According to Holzmann (2010:4) financial capability is demonstrated as encompassing five domain listed as indicators of financial capability that a person is capable of displaying: keeping track, making ends meet, planning ahead, choosing products, and staying informed. This does not mean there is a consensus Hung, Parker and Yoong (2009:5) but similarities can be drawn from other studies indicating development towards a standard in measurement and evaluation towards financial capability. According to Atkinson *et al* (2006:11): “one of the main conclusions from the development work was that financial

capability could be conceived as encompassing four different areas, or 'domains'. These domains were 'managing money', 'planning ahead', 'making choices' and 'getting help'. The survey analysis, however, suggested that the third domain was better named 'choosing products' and the fourth 'staying informed'. These domains from the two authors: Hung, Parker and Yoong (2009:5) and Atkinson *et al* 2006:11) are not in the same syntax but some share the meaning: keeping track and making ends meet is the same as managing money while planning ahead remains constant and making choices may be termed as synonymous with choosing products.

2.6.3 Measurability of Financial Capacity and Mixed Methods

To test its measurability of financial capability Atkinson *et al* (2006:11) conducted a study to measure levels of financial capability in the UK. Their method of data collection which is a questionnaire depicts a quantitative approach to the measurement of financial capability. However in the prior stages of the use of the questionnaire they utilised eight focus groups held in three different locations to explore people's perceptions of financial capability and to identify ways of capturing financial capability in a survey. They also used semi-structured interviews to provide a cognitive test of the questionnaire. This is a methodological triangulation as focus groups and interviews are qualitative in nature. Perone and Tucker (2003:3) highlight the use of triangulation as not simply combining different types of data, but attempting to relate the two types of information so as to leave the validity of each type of information intact. This means that they used this to arrive at the validity (Thanasegaran, 2009:37) of the questionnaire, ensuring that it measured what it was intended for. For analysis techniques Atkinson *et al* (2006:3) used factor analysis (statistical multivariate technique) to obtain levels of consistency in the ways which the survey questions were answered and to create a financial capability score. They claim that the approach is well suited to the types of inter-related questions used in the survey as it makes use of many different pieces of information about each person and that it is also a tried-and-tested statistical approach that which been widely used in academic work. Their main conclusion Atkinson *et al* (2006:134), was

that there was no single indicator of financial capability, but that rather it could be conceived as encompassing four different 'domains', of people's involvement with money and financial products. They found clear indications that individuals may be particularly capable in one or more areas, but lack skills or experience in other areas.

In another study conducted by Kempson Petrotti and Scott (2013:17) the goal of the research undertaken was to determine how financial capability is manifested and what features of people are associated with high (low) levels of financial capability. They set out to answer the question concerning whether it was possible to construct a measure of capability which could be used to segment the population by level of financial capability. Similar to Atkinson et al (2006:11), Kempson Petrotti and Scott (2013:17) used the multistep process where the qualitative approach was used to arrive at the quantitative survey: 1. They used focus groups for the development of an operational definition of financial capability and its manifestation, 2. utilised the in depth interviews and cognitive testing to measure those manifestations and as for data collection they made use of the qualitative survey. In the identification of the domains similarly they used factor analysis and assignment of scores. The other similarity is the use of regression and cluster analysis for identification of potential target groups for policy intervention. This does not mean that the research was a replication of Atkinson et al (2006:11). It indicates that in the development of measurement tools for financial capability single designs may not be appropriate but what is needed is multi- methods and data triangulation. Kempson Petrotti and Scott (2013:85) arrived at the conclusion that financial capability was found to be a composite of skills, not a single skill which could be measured with a single score.

2.6.4 Types of Measurement and Evaluation

There are different types of evaluation and any evaluation research should establish the type of research so that the evaluation design is not general but specific. These types of evaluation depend on the purpose, timing, and procedures used (Wall (2007:2). According to Westat (2010:7): "Educators

typically talk about two kinds or stages of evaluation— formative evaluation and summative evaluation. The purpose of a formative evaluation is to assess initial and ongoing project activities while the purpose of summative evaluation is to assess the quality and impact of a fully implemented project.” These types have been categorised using the purpose that they serve in evaluation. To Vanclay (2012:23) summative and formative are terms which are used to describe the purpose of evaluation. They represent a continuum rather than completely separate and discrete entities. This means that each type of evaluation is carried out at a certain time to serve a particular purpose as Westat (2010:11) views formative evaluation to be at the beginning of the continuum while summative evaluation is done at the later stages of the programme. According to Vanclay (2012:23) the purpose of formative is to monitor progress. This is because the components of formative evaluation are: implementation evaluation and progress evaluation” (Westat (2010:8). The results of this are usually intended to inform of areas improvement which can be made while the programme is ongoing.

Formative evaluation is unlike summative evaluation because Vanclay (2012:23) says that: “this type attempts to be an ex-post, independent, objective assessment of outcomes which assesses the extent to which the program was responsible for (i.e. caused) the outcomes, and potentially undertaking a cost-benefit or return on investment calculation “In addition Wall (2007:2) writes that summative evaluation, sometimes called outcome evaluation, is conducted for the purpose of interrogating the results of a program. Specific goals of a program are identified and the degree of accomplishment of those goals is documented in summative evaluation. The results of a summative evaluation might point to changes which should be made in a program in order to improve it in subsequent implementations. Vanclay (2012:23) indicates that because of these reasons, summative evaluation tends to require empirical indicators, while formative evaluation tends to be qualitative. Westat (2010:11) cements that summative evaluation collects information about outcomes and related processes, strategies, and activities that have led to them. The evaluation is an appraisal of worth, or

merit. They highlight the usefulness of the results of summative evaluation to state:

“Usually this type of evaluation is needed for decision making. The decision alternatives may include the following: disseminate the intervention to other sites or agencies; continue funding; increase funding; continue on probationary status; modify and try again; and discontinue.”

This study is focused on the summative evaluation because it seeks to evaluate financial literacy initiatives and use the information to inform relevant stakeholders of better implementation. The study too is also interested in the impact analysis and the outcomes of financial literacy initiatives in Botswana. The formative evaluation which is processes and progress of the initiatives should have been done by the organisations which provide financial education. The following is a table showing distinguishing aspects of the types of evaluation.

Table 0-3: Formative and summative evaluation

ITEM	FORMATIVE	SUMMATIVE
Categories	Implementation – progress or process evaluation Westat (2010:8)	Impact and outcome based evaluation Westat (2010:10)
Purpose	To provide internal feedback to improve practice while the program or intervention is in progress, rather than waiting until the program is over. Paulsen and Dailey (2002: 3)	The purpose of a summative evaluation is to assess the quality and impact of a fully implemented project/programme (Westat 2010:7)
Time	Done in the early stages of the program (Westat 2010:11) In the middle of the program, to want to see if it is working in the way you intended. (Atkinson 2010:8) Conducted while the program is ongoing – perhaps several times (Wall (2007: 2)	Done at the later stages of the program (Westat (2010:11) Usually done at the end of a program cycle, results are needed to that prove your program is sound (Atkinson 2010:8) Conducted after the program has been implemented and completed (Wall (2007: 2)
Types of data	Qualitative design (Atkinson 2010:8) Formative evaluation tends to be qualitative (Westat 2010:10)	Quantitative design (Atkinson 2010:8) summative evaluation tends to require empirical indicators, (Westat 2010:10)
Usefulness of Results	The results point to changes which can be made to ensure that the quality of the program implementation is maintained throughout the programme. Wall (2007:2)	The results of a summative evaluation might point to changes that should be made in a program in order to improve it in subsequent implementations Wall (2007: 2)

	This type of evaluation is needed for decision making Westat (2010:11)
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Sources: (Atkinson 2010) Paulsen and Dailey (2002) Wall (2007) Westat (2010)

The table above summarises the first order categories of evaluation and it has been clear that every type of evaluation has its procedures, time to be carried out and what the results serve. There are particular questions that relate to the type of research and Atkinson (2010:8) has summarised the evaluation questions in the table below:

Table 0-4: Questions for the different types of evaluation

EVALUATION TYPES	BRIEF DESCRIPTION	GENERIC KEY EVALUATION QUESTIONS
Outcome & Impact Evaluations <i>(Summative)</i>	Provides answer to the overall question "are we making a difference?"	Is the program having the desired effects? Do these effects differ by group? Is the program having unintended effects (positive and negative)?
Cost Effectiveness & Cost Benefit Analyses <i>(summative)</i>	These types of analyses relate costs to the outcomes and impacts that are being achieved	Are program effects attained at a reasonable cost? What is the average cost per outcome?
Design Evaluation / Assessment evaluation <i>(Formative)</i>	Focuses on whether the program "makes sense," whether the program is likely to achieve results in the way it is designed	How do the services provided by the program contribute to results? What are alternative ways of delivering these services that might produce better results?
Implementation Evaluation <i>(Formative)</i>	Measures how well the program has been implemented, and the extent to which the program was implemented as planned.	To what extent has the program been implemented as planned? What are the main challenges encountered in implementing the program?

Source: Atkinson (2010:8)

2.6.5 Developing and Designing Measurement and Evaluation Tools

Developing and designing measurement tools can be challenging and needs expertise (Lusardi (2013:4) they may be standard for norm measurement or customised to target groups. (Huston 2010:310) According to Huston

(2010:310) there is need to design a more standard approach to measure financial literacy to identify barriers to financial well-being and assist in solutions which enable effective financial choice. This may not be effective because according to Drexler, Fischer and Schoar (2013:20) in the first instance training has to be client matched and therefore in developing the measurement and evaluation tools this has to be consideration. Different tools may be used for measurement and evaluation but these must encompass the goals, purpose, content and expected outcome. The questionnaire developed by OECD INFE (2011:4) includes a widely accepted working definition of financial literacy which stresses general behaviours, attitudes and knowledge that could be attained in a variety of ways. It was also piloted and it also states the methodologies to be followed when administering it.

The above views are cemented by (Atkinson 2008:77) highlighting that the instruments used to collect data also need careful consideration. Questions must be designed specifically around the objectives of the initiative, and take into account the particular circumstances of the participants (such as language or literacy difficulties, age of respondents, difficulties with concentration, and time constraints). A failure to ask appropriate questions not only weakens the evaluation but wastes valuable resources. According to Holzmann (2010:5) in evaluation the: "Why and what, for whom, and How" questions are ideal for an evaluation framework. Holzmann (2010:12) notes that ideally, such a framework provides the detailed link between national as well as individual program objectives, inputs, delivery, outputs, outcomes, and impacts. This framework is also all encompassing as it details the purpose (objectives), of the programme, inputs (content and resources used), outputs and outcomes (expected results), impacts (the effect or benefits). This framework drives to the logic model which has been described above.

2.6.6 Challenges to Measurement and Evaluation

The evaluation of financial education is imperative but steeped in a lot of challenges. Lyons, Rachlis, Staten, and Xiao (2006:52) caution that the number of financial education programs continues to flourish yet research

measuring the effectiveness of these programs has been limited, primarily because of a continued lack of understanding among financial education providers about how to measure program impact. This points out that in Financial Literacy there are more challenges in carrying out research on evaluations than on other topics. However the few like Yoonga and *et al* (2013:43) who have done the evaluation highlight that impact evaluations and cost-analyses often need to be used more selectively, largely because of the resource and information requirements involved. In the second place and slightly different in consideration is that doing evaluations - and doing them right - is very challenging. Authors such as Palmer and Xiao (2008:88) confirm this by saying, measuring the effectiveness of financial education has been challenging and the results have often been mixed.

Botswana being a developing country stated to have minimal literature on evaluation could also pose challenges as Yoong and *et al* (2013:8) writes that: The environment in developing countries has posed even more challenges for evaluators: Often, important government or program administrative data are unavailable or unsuitable; target populations may be small, dispersed, or difficult to reach; and program resources are generally limited, leading to evaluation studies which lack the statistical power to detect small changes in target population behaviour. Research is expensive especially if it is carried nationwide to develop frameworks and models. In attempting to make a case for financial literacy Miller and *et al* (2009:6) communicates that monitoring and evaluation of the impact of programs are complicated by the lack of baseline survey data. Very few countries have undertaken nationally representative surveys of financial literacy or financial capability. Botswana is one of the few countries which do not have an evaluation framework which is a cause for concern and a gap in research. This makes research difficult and more explorative, provoking a venture into the phenomenon without baseline data or empirical evidence. According to Miller and *et al* (2009:6) without baseline data, progress toward objectives cannot be measured. They also add that baseline surveys also can be a catalyst for raising awareness on the topic and for a dialogue on what are the key aspects or skills people need to be financially capable.

Another challenge in measurement and evaluation is what has been identified by Schuchardt, Hanna, Hira, and Lyons (2009:88) that major differences across programs in core content, delivery methods, and target populations have resulted in considerable differences in the goals and objectives of these programs and what they are each trying to accomplish. This makes it difficult for researchers to identify a common set of reliable measures (i.e., knowledge, attitude, and behavior indicators) that can be adequately validated in multiple settings. As the programmes show such disparities in content, approach, purpose and outcomes, it is difficult to standardise the instruments and tools of measurement and evaluation. Such a scenario may be a case for Botswana that might lead to contextualisation of the measurement and evaluation framework for each initiative or target group.

The idea of customised evaluation is stressed by what Lyons and Neelakantan (2008:111) states: "Financial education programs cannot be evaluated using a "one-size-fits-all" approach" It is extremely difficult to come up with a single model or approach which explains individual financial behavior because both individual financial needs and financial education programs vary widely. In the end, as Lyons and Neelakantan (2008:111) write, the impact of financial education on individual consumer decision making and economic well-being cannot be measured by a single all-encompassing approach to program evaluation. This is a clear indication that using a generic measurement and evaluation tool may not measure effectively what is expected. However in developing standards for evaluation there are those criteria that are fundamental and should not be omitted in any of the evaluation tools for measurement and evaluation of financial literacy. These are issues of target group, purpose, content, approaches, and evaluation itself.

2.7 Theories and Models of Measurement and Evaluation

Measurement and Evaluation research itself is a topic for investigation and so has a theoretical basis. Siegel (2011:15) highlights that evaluation research is a form of applied research because it is conducted to provide

organizations with information that can be used in the immediate future. Evaluative research therefore should be based on theory and be applied to the context of the participants and organisation where research is conducted. This is also because evaluators should discuss a contextually appropriate way for those values, assumptions, theories, methods, results, and analyses significantly affecting the interpretation of the evaluative findings (Owston, 2007:616). These statements apply to all aspects and stages of the evaluation process, from its initial conceptualisation to the eventual use of evaluation findings. The following are the theories and models identified to be contextualised to the measurement and evaluation of financial literacy programmes.

2.7.1 Programme Theory Evaluation

According to Donaldson and Lipsey (2007:58) there are three most common types of evaluation theories – evaluation theory, social science theory and the programme theory. The focus of this research is mainly on programme evaluation theory but Donaldson and Lipsey (2007:58) note that there is a fruitful approach where the theory of evaluation involves integration of social science theory in the development and use of programme theory to guide evaluation practice and expand knowledge about how programs bring social change. The social changes, in the context of financial education programme are the financial behaviours outcomes. These are the general changes or indicators of having financial capability written about in the conceptual framework of this study: changes in skills and confidence levels, changes in intended and actual behavior, and changes in attitudes and satisfaction levels supporting the outcome driven approach to financial literacy measurement and evaluation.

According to Rogers et al (2000:5) the Programme Theory Evaluation (PTE) is considered to have two essential components, one conceptual and the other empirical. PTE consists of an explicit theory or model of how the program causes the intended or observed outcomes and an evaluation that is at least partly guided by this model. The conceptual framework of this study describes the transformation process which resonates with the Programme

Theory Evaluation (Sharpe, 2011:72). Program theory modelling uses three components to describe the program: the program activities or inputs, the intended outcomes or outputs, and the mechanisms through which the intended outcomes are achieved- as financial education is a process there are inputs (resources), the mechanism (delivery modes), and the intended outcomes (Sebstad Cohen and Stack 2006:5) that describe financial literacy and capability since this is also research focused on measurement. Sharpe (2011:73) argues that multi-method approaches are commonly used for the task of documenting the program (e.g. ethnography, surveys, ratings, observations, and interviews) and these often become the tools to measure the program process or intermediate variables. Formal measures can be constructed to evaluate the services being provided within a program. In view of the above stated definition of evaluation that it is systematic and planned, it is important to know from the onset the model to be used for evaluation. In agreement to this Atkinson (2010:8) writes that at the start of evaluation research it is helpful to map out what is expected to happen as a result of a program. One effective tool which may be used is called a logic model (OECD 2010:4) and is discussed in the next section.

2.7.2 The Logic Model

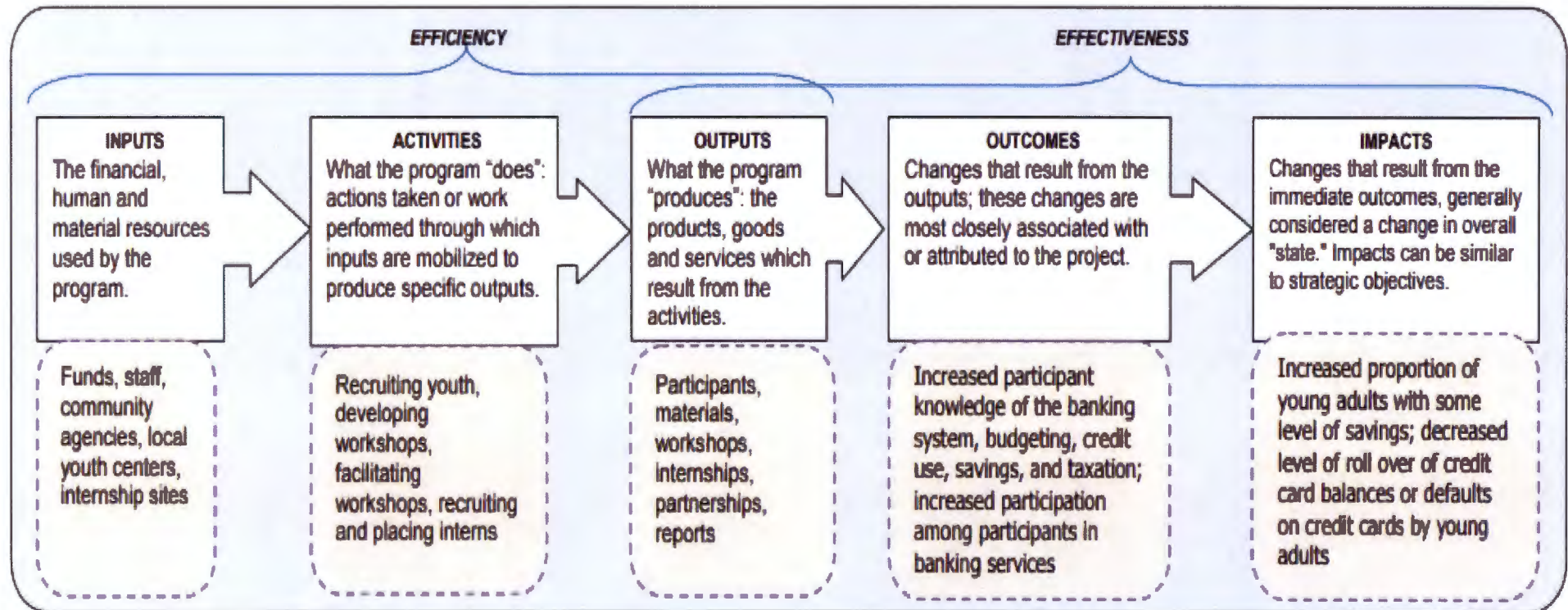
In its definition is sometimes referred to as a tool, theory or just as a model. According to Barkman (2003:3) models are tools to be utilised for a purpose they also give a theoretical perspective. For instance there is the premise that the logic model assist in designing and conducting appropriate evaluation. In narrating the history of the model McCawley (2002:1) states that:

“The Logic Model process is a tool that has been used for more than 20 years by program managers and evaluators to describe the effectiveness of their programs. The model describes logical linkages among program resources, activities, outputs, audiences, and short-, intermediate-, and long-term outcomes related to a specific problem or situation. Once a program has been described in terms of the logic model, critical measures of performance can be identified.”

This history is critical as it determines how long the model has been in existence, it also shows the opportunities of where and when the model can be used in evaluation. Its value is that it paves way to identify measures to evaluate. According to Bamberger, Rugh Mabry (2006:11) the logic model should be well defined in the project plan as it can be used to guide the evaluation. If not, the evaluator needs to construct it based on reviews of documents and discussions with all stakeholders. In many cases, this requires an interactive process in which the design of the logic model evolves as more is learned during the course of the evaluation.

Besides this some of the benefits of the model outlined by Barkman (2003:3) are: it helps identify appropriate evaluation questions. The evaluation questions as part of the research design and must be well structured, it summarizes complex program to communicate with internal and external stakeholders. The implication is it a foundation which contains the underlying rationale and expectations. Lastly it identifies gaps in logic and uncertain assumptions (Barkman 2003:3). An evaluation exercise itself needs participation, and activities which provokes learning as is reflected in the logic model for programme design and evaluation below:

Figure 0-8: The logic model for programme design



Source: OECD (2010:4)

2.7.2.1 The Logic Model and Transformation Model

According to Lown and Nelson (2013:15) a logic model illustrates the expected inputs, outputs, and impacts, as well as the assumptions and other external factors which influence programme decisions or achievement of outcomes. In addition Setari (2014:5) highlight that the logic models outline the main components of the evaluated program and allow for the examination of the connections that exists between the components and the outcomes. It allows a revisit to the objectives of research and gives an opportunity to consider how to measure success. According to Setari (2014:5) it helps to describe very clearly why the investments made (inputs), and the particular activities undertaken, will lead to the results hoped to be achieved (sometimes called a “results chain”). The OCDE (2010:4) highlight that inputs and outputs are under the program control expected to reveal efficiency while outcomes are influence by the programme indicating if the programme has been effective or not. This also connects well with Programme Theory Evaluation as depicted by (Sharpe 2011:72)

2.7.2.2 Utility of Logic model in Measurement and Evaluation of FL

In application to evaluation of financial education, the model was utilised by Lown and Nelson (2013:1) in guiding an effective program evaluation of financial capability focused on women. They used the program evaluation process, and specifically the logic model which guided the development of the survey questions. In their analysis most of the respondents were moderately confident that they could overcome financial obstacles. Lown and Nelson (2013:21) report that since it was a cross sectional survey, and respondents had attended for varying lengths of time, there was the limitation in their ability to measure impact by time horizon. Therefore a longitudinal study is needed to better identify long-term outcomes. They also report that while it is difficult to assess the ultimate long-term impacts of the educational seminar, survey results suggested that the program was effective based on the actions women took as a result of the seminar. In their model as compared to that of Barkman (2003) they have identified a situation: that there is lack of financial awareness and preparation among women in the

community. This reminds that it is an important task to identify the situation and set up priorities before conducting an evaluation. Such priorities are funding and sponsorship, (resources) content, delivery methods, expected outcomes as explained in relation of the model to evaluation and transformation process.

2.7.2.3 The Logic Model and Mixed Methods

An example of study which utilised the Logic model is that of Lyons *et al* (2006:221) in which they used focused group discussions, and included some basic information about evaluation concepts and methodology such as information on the logic model or models that look at stages to change. Participants were also looking for instruction on how to write impact statements and design evaluation instruments. They assessed the state of financial education and program evaluation, by collecting quantitative and qualitative data from financial professionals and educators nationally. Data was collected in two stages using (1) focus group techniques and (2) an online survey. A wide range of financial professionals and educators were targeted from academia, non-profit organizations, the private sector, state and federal government, and the military. This is reflective of the use of mixed methods approach using what Bryman (2011:1142) calls "Methodological triangulation", which refers to the use of more than one method for gathering data. They used an exploratory evaluation which Bamberger, Rugh Mabry (2006:21) says may be done by descriptive analysis using techniques such as observation, interviews of at least a few selected members of the target population, key informant interviews, and perhaps focus groups. Then a survey may be used to collect data about the population.

This marks the similarity with this study for its choice of the use exploratory approach before collecting data form individuals in the identified population. Sharpe (2011:73) puts the claim that the multi-method approaches are commonly used for the task of documenting the implementation of the program. Tying this to programme theory which accommodates the use of the logic model Sharpe, 2011:73, employs the use of multi-methods

approaches; multiple methods and a variety of tools .These tools should be well developed and tested for reliability and validity to ensure consistency of measurement, authenticity, and applicability (testing what they should).

2.7.2.4 Limitations of the Logic Model

The Logic model like all other approaches and model has its own limitations. Referencing (Taylor-Powell, 1999), Barkman (2003) highlight the limitations of the model with the following points:

- The logic model represents a reality that is somewhat inaccurate: - programs are not linear as programs are dynamic interrelationships that rarely follow a sequential order. Since financial education programmes are people focused the linear approach does not relate well with what has been attested to the use of Trans Theoretical Model (the stages change model) which is said to be circular rather than linear. As some studies have already established an intertwine of the two it is best to bench mark from their methodologies.
- Logic model focuses on expected outcomes, making it easy to miss unexpected outcomes. The implication is that the researcher or evaluator be wary of this and ensure a record of unexpected outcomes or emergent issues
- There is a challenge of causal attribution - many factors influence outcomes. This informs that there are a variety of variable which may not be captured by the model hence not giving a true picture of what caused the behaviour or outcome. The implication for the evaluator is to ensure what exactly needs to be measured is stated from the beginning.

2.7.3 The Trans Theoretical Model (TTM) of Behaviour Change

The goal setting theory of motivation is not the only theory which has been used as a theoretical background to financial literacy. According to Ozmete and Hira (2011:386 - 387) behavioural theories/models commonly used in explaining of behavioural change analysis from three different disciplines: psychology, sociology and economics being: (i) psychological

theories/models; (ii) sociological theories/models; (iii) economic theories/models respectively. They mention several theories but the one theory that is commonly used to explain financial literacy behaviours is the Trans Theoretical Model (TTM) of Change. This theory is also discussed under this study because it is applicable and resonates much with Mandell and Klein (2007:107-114) motivation theory. The other reason for the discussion of the theory is its utility in evaluating financial management behaviour. According to Xiao (2014:8):

“The Trans Theoretical Model of Behavior Change of Prochaska, DiClemente and Norcross (1994) is one tool which holds promise for evaluating financial management behavior, since it has been applied successfully to many other behaviors that people have.”

According to Xiao *et al* (2004:56) the Trans Theoretical Model was developed by studying daily human experiences and integrating existing psychotherapy models. According to Ozmete and Hira (2011:387) it was named Trans Theoretical because it combines change variables from across many existing counselling theories. This model originates from the Health studies and according to Ozmete and Hira (2011:387) the Trans Theoretical Model of Change (TTM) is commonly used in the health arena to help people stop unhealthy behaviors and/ or develop healthy behaviors. In the early stages of their research, Xiao *et al* (2004:56) say Prochaska and his colleagues found that behavioural changes are more complicated than those described by many theories. They reviewed existing theories in psychotherapy, including psychoanalytic, humanistic/ existential, gestalt/experiential, cognitive, and behaviour sciences and came to a conclusion that all of these theories had merits in helping people change their behaviours. In this study it was discussed in sync with: the logic model, the goal setting and motivation theory, and the social cognitive theory of learning as these theories and models form the theoretical basis of this study.

2.7.3.1 The Stages of the Trans Theoretical Model

Evaluation studies using this Trans Theoretical model mention and attempt to apply the five stages identified by Prochaska, DiClemente and Norcross (1994) as the stages which an individual goes through towards the expected behaviour. According to Xiao (2014:8) this model posits five stages of change through which persons go through as they move toward making change permanent. Xiao *et al* (2004:56), make an observation that originally, the model was conceptualized as a linear progressing through the various change stages but Flores (2014: 34) writes that it was later determined that a spiral pattern is the best illustration of how people change because most individuals relapse and return to a previous stage. Individuals progress through these five stages at varying rates, often moving back and forth along the continuum a number of times before attaining the goal of maintenance. As a result Flores (2014: 34) says the stages of change are often described as spiralling or cyclical rather than linear. This depicts human development as not going in a straight line but could be affected by different factors to regress.

According to Xiao *et al*, (2001) the focus of the model is to help people intentionally show manifestation of financial behavior change. Application of TTM to financial behavior change is a process that involving five integrated stages of: (i) awareness of the problem and a need to financial behavior change, (ii) motivation to make a change in financial behavior, (iii) skill development to prepare for the financial behavior change, (iv) initial adoption of the new financial activity or behavior, and (v) maintenance of the new financial activity and integration into the lifestyle Kempson and Atkinson (2008:8) list and outline these stages in short: Stage 1: Pre contemplation; Stage 2: Contemplation; Stage 3: Preparation; Stage 4: Action; and Stage 5: Maintenance.

The stages are expanded in detail by Berriche Salerno and Calciu (2014:586). The first stage called pre contemplation is one in which the participants see no need to change. Contemplation, as its name implies, is the point at which participants are beginning to acknowledge having a

problem and beginning to think about ways to solve it. Preparation is the stage at which the participant is serious about taking action. Action is the fourth stage, and it is the one in which the actual stopping of bad behaviour or starting of good behaviour begins. In maintenance stage, the new behaviour is adopted, maintained and integrated.

Figure 0-9: Stages of Trans Theoretical Model (TTM)



Source: Xiao (2014:8)

2.7.3.2 The Trans theoretical Model and The Transformation Model

The TTM is an integrative model focused on how to modify problem behaviors for positive behavioural change (Schuchardt (2009:85) which means it focuses on bringing desired outcomes of change. Whenever it is used with the logic model it shows its ability to accommodate for its utility in programme theory evaluation. Lown and Nelson (2013:15) illustrated the use of logic models for programme evaluation based on the Trans Theoretical Model of Change (TTM). This means they considered inputs, outputs and the

outcomes of the programme which was under review guided by the logic model.

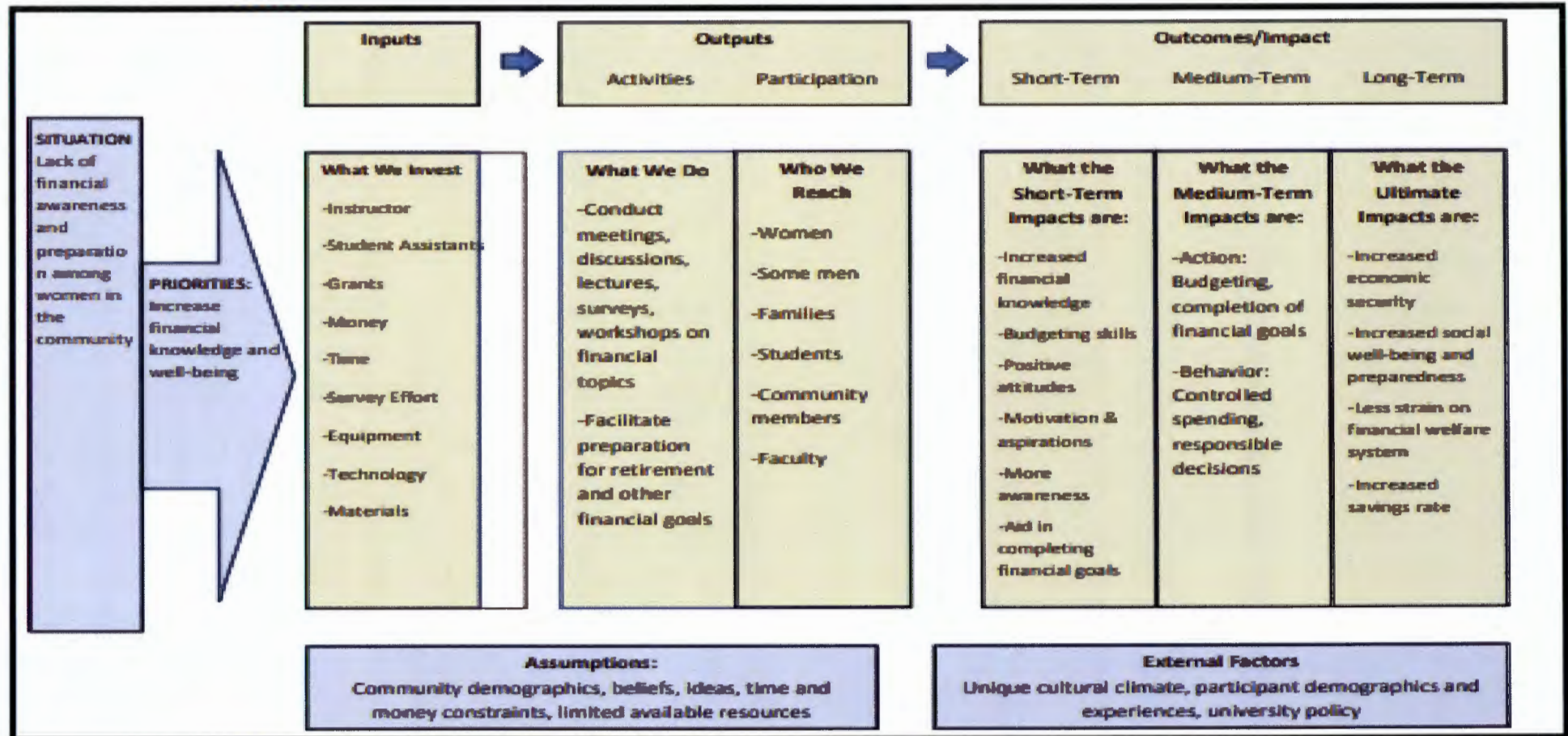
2.7.3.3 The Trans Theoretical Model and the Logic Model

A study conducted by Lown and Nelson (2013:15) illustrated the use of logic models for program evaluation and the research was based on the Trans Theoretical Model of Change (TTM) (Prochaska & DiClemente, 1983). They demonstrate the application of a logic model as a guide an effective program evaluation of a financial capability program focused on women. They state that “The TTM is an integrative model focused on how to modify problem behaviors for positive behaviors change. The underlying construct of the model is the Stages of Change.” The evaluation was conducted to: (1) Determine which educational methods and strategies effectively motivate women to act, (2) Solicit ideas for improving the effectiveness of this educational program, and (3) Identify the TTM Stage of change of participants.

In pursuit of their research objectives Lown and Nelson (2013:16) developed a logic model which defined and explained the program concepts. They were able to identify the situation which is: “Lack of financial awareness and preparation among women in the community.” This indicates that when using this model an evaluator must interpret the “situation drive” the overall outcome of the financial education programme. In their model Lown and Nelson (2013:15) identified the following as overall outcome: Increase financial knowledge and well-being, while the rest of the outcomes were sub impacts of this overall outcome. The integration of the Logic Model and the TTM Stages of Change is cemented by the use of the Financial Planning Personality Profiler (Lown, 2007:37) which was utilised to categorise respondents into five Financial Personality Types as a proxy for Prochaska’s Stages of Change (Prochaska & DiClemente, 1983). They write that the personality types corresponded well with Prochaska’s stages as follows: planners = maintenance, savers = action, strugglers = preparation, impulsives = contemplation and deniers = pre-contemplation. Their study

illustrated the practical relation of the two models with a diagram displayed below:

Figure 0-20: Logic model for women's financial programme



Source: Lown and Nelson (2013:1)

2.7.3.4 The Trans Theoretical Model and Motivation Theory

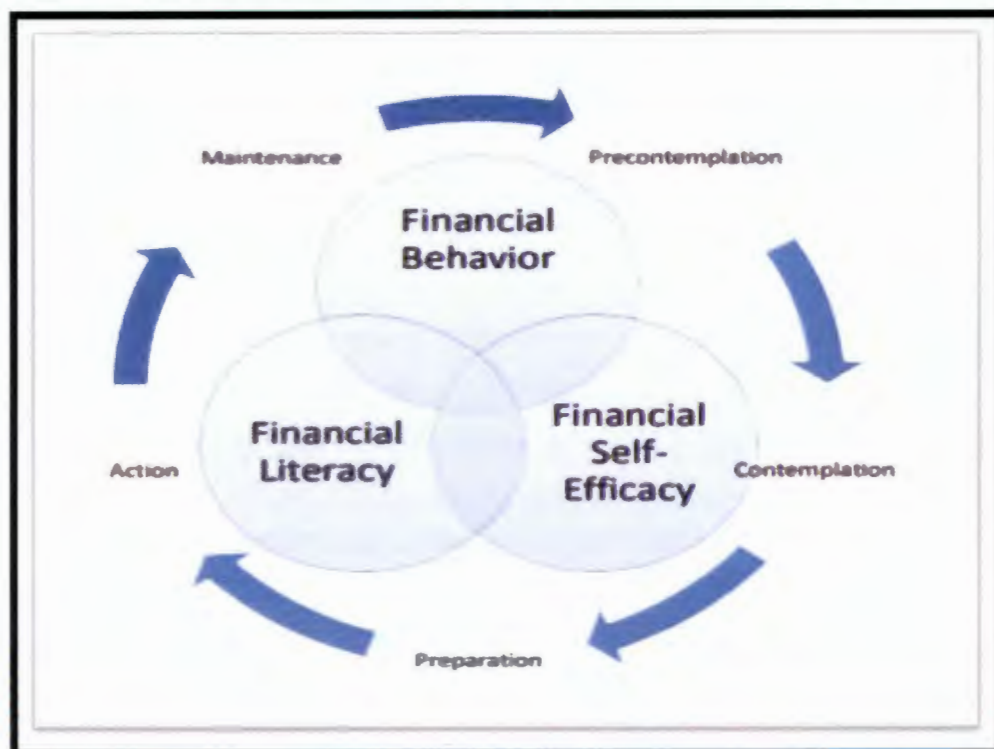
The purpose of the study conducted by Rowley, Lown and Piercy (2012:48) was to: “identify how to motivate women to take more responsibility for their financial future...” and with this indicating women as their target group. With reference to motivation of this target group and the use of the use of the TTM the researchers conclude that the majority of participants were motivated by an internal desire for change, categorized as underlying goal-centered motivators (Rowley, Lown and Piercy (2012:58). This therefore gives the idea of the strength of external motivation is surpassed by that of intrinsic motivation and that the role of the facilitator for financial education should be that of a facilitator who helps the consumer to find what makes them want to change. As a limitation and a caution in the application of TTM Rowley, Lown and Piercy (2012:59) mention that it is the setbacks or relapses of participants in the Stages of Change. It is then advised to employ the TTM conceptual commonality of the setbacks and that counsellors and educators should prepare their clients for setbacks as part of the normative behavior change process. Above all else the Rowley, Lown and Piercy (2012:59) state that: “The findings of this research support the benefits of financial education.” Both in the conceptual framework of financial literacy of this and the motivation theory posed by Mandell and Klein (2007:107-114) the Rowley, Lown and Piercy (2012:59) research confirms that financial education drive to value and brings positive behavioural change.

2.7.3.5 The Trans Theoretical Model and the Social Cognitive Theory

In a much more recent research another variation and different element is brought about by Flores (2014:6). The purpose of the study is stated as thus: “A theoretical framework that draws from key constructs of the Social Cognitive Theory and the Trans Theoretical Model serves as an appropriate foundation to analyse where literacy, behavior and self-efficacy intersect and the impact this relationship may have on the financial well-being of college students.” Flores (2014:6) presents the claim that this theoretical framework

can help demonstrate whether students from first generation and low-income backgrounds, including other key demographic factors, influence a student's knowledge and confidence about finances and money management. According to Flores (2014:12) self-efficacy as the confidence and/or perceived belief in overcoming financial difficulties while the principle the social cognitive theory of Albert Bandura individuals are more likely to attempt, to persist, and to succeed at activities or tasks when they possess a strong sense of self-efficacy Flores (2014:30) that is: the confidence and belief to achieve. The financial conceptual framework below illustrates the incorporation of the self-efficacy within the social cognitive theory and the Trans Theoretical Model with the stages of behaviour change depicted. According to Flores (2014:35) the relationship between a persons' financial literacy knowledge, confidence and ability to make decisions through the stages exist.

Figure 0-11: Financial literacy conceptual framework and TTM



Source: Flores (2014:34)

According to Flores (2014:96) the results of the study indicated there was no relationship between self-efficacy and financial literacy the utilisation of the

framework is a measure to assist in nurturing financial literacy, behaviour and self-efficacy of students moving through the stages they face new concepts or challenges. Some earlier studies which included self-efficacy as one of their construct and also use the Tran Theoretical Model report of success. According to Xiao et al (2004:89) the key constructs of TTM include stages of change, processes of change, decisional balance, and self-efficacy. They applied TTM to consumers who have credit card debt problems and the data were collected from those consumers. The purpose of their study was to help consumers change their behaviors to eliminate credit card debts. Xiao *et al* (2004:91) report that in the early stages, people apply experiential processes relating to how people become aware of the interest of behavioural change to support their progress through the stages. They continue to say that in the later stages, people rely more on the behavioural processes corresponding to actions taken by individuals to help them become or remain active for progressing toward termination.

This study has similarities with Shockey and Seiling (2004:48) as participants documented and shared their experiences which indicate a qualitative approach to research using experientialism. This may be typical of the TTM as the participants move through the Stages of Change. However the studies have some difference as Xiao *et al* (2004:91) highlight that compared to previous studies including that of Shockey and Seiling (2004:1), their analysis has unique features: Rather than just the Stages of Change, all the constructs of TTM which was not the case with previous studies, are included and measured in Xiao *et al* (2004:91) debt reduction study.

Another study which is recent is that of Berriche Salerno and Calciu (2014:587). The purpose of the study was to explore relationships between stages of change among people who mismanage their money (in pre contemplation and contemplation stage) and their intention to adopt approach-avoidance financial strategies of change then examine the mediating effects of decisional balance on these last relationships. Their results indicate progression of approach-avoidance strategies by stages of change. Berriche Salerno and Calciu (2014:593) claim that the above

mentioned studies of (Shockey and Seiling 2004 and Xiao *et al*, 2004) applied the Trans Theoretical Model by merely exploring the relationships between stages of change and other variables like self-efficacy while “efforts to illuminate the mediating roles of decisional balance with approach-avoidance money management strategies of change have not been examined”. According Berriche Salerno and Calciu (2014:593), decision balance can be used to measure the progress of customers in the behaviour change process. To interpret Berriche Salerno and Calciu (2014:593), evaluators and researchers must not end at the level of only exploring the relation but should shed light on the connection and reconciliation point of the two (mediating paths) which give insight to understanding the psychological behaviours of the customer through the stages when making decisions. This can contribute to helping practitioners understand the customer to offer better financial services and even design effective financial literacy initiatives.

2.7.3.6 The Trans Theoretical Model and Mixed Methods

Most of the studies reviewed tend to use multiple approaches when applying the Trans Theoretical model and this may be so because of it being tied to Programme Theory Evaluation as most of the studies focus on measurement and evaluation- According to Sharpe (2011:73) multi-method approaches programme evaluation. Xiao *et al* (2004: 91) used a mixed method particularly, which Hales (2010:13) terms as methodological triangulation as which involves the utilisation of methods of qualitative and quantitative approaches. Qualitative approaches were used for the measurement development which indicates the use of exploratory sequential design, a type of mixed method design in multiple research approach. A design which has also utilised for this study as elucidated in chapter four.

Then it can be concluded that most of the researchers (Berriche Salerno and Calciu 2014:589, Shockey and Seiling 2004: 91) that adopt the TTM utilise mixed methods (specifically methodological triangulation) this is in the exception of Rowley, Lown and Piercy (2012:50) who used the qualitative

approach employing the focus group technique. They chose the qualitative exploratory approach because:

“Firstly, focus groups allowed participants to voice their opinions and experiences in far less time and with greater breadth than with in-depth, personal interviews and in greater depth than in surveys. Secondly, focus group research is a widely used, effective method for obtaining insights into behavior motivation.”

As mentioned above the use of motivation and the TTM model have a link because motivation and goal setting can be used to drive participants to get into the next stage of change. Instead of methodological triangulation they utilised what is termed by Meijer, Verloop and Beijaard (2002:146) as triangulation by researcher (comparable to interrater reliability in quantitative methods). This is because Rowley, Lown and Piercy (2012:51) state that: “Dual researchers combining to evaluate the data created triangulation, adding to the validity of the analysis”.

In their study Shockey and Seiling (2004:41) also utilised mixed method approach but with a different strategy of experiential learning. There were uses of surveys questionnaires with issues of validity and reliability of data collection instruments tested by experts on a 25 participants before the study was conducted. The qualitative method of research using experiential learning was utilised when for the participants were given the opportunity to record their expenditures and shared their experiences. According to Ozmete and Hira (2011:388), Berriche Salerno and Calciu (2014:594) this is typical of the application of the TTM model to engage participants in experiential processes of their Stage Changes. To attest the successful application of the experiential learning techniques Shockey and Seiling (2004:48) states that “Over half of participants (60%) reported that their own personal experiences had been the best way for them to learn about money management”. In the qualitative methods the (Xiao et al 2004:89) also utilised the experiential and behavioural processes where consumers interacted with each other and reflected on their personal changes in reducing credit debt.

2.7.3.7 The Criticism of the Trans Theoretical Model

A theory which is integrational may sound all-encompassing and inclusive of quite a number of variables but it never escapes criticism or review. In highlighting the limitations, Lyons and Neelakantan (2008:109) write that theories like Trans Theoretical model of change provide insight into how practitioners might help individuals change their financial behaviors. However, their applicability is limited by differences between the field from which they originate and the field of personal finance. Lyons and Neelakantan (2008:109) bring the solution that, in the application of the theories to finance they need to be modified to incorporate external factors (e.g., exogenous financial shocks, limited access to financial services, and changes in life circumstances) that may prevent individuals from being able to change particular financial behaviors.

It is also worth noting that in case of health, it is indisputably easy to identify positive health behaviors while this may not be the same for financial behaviours. If it is difficult to identify these the model may not be suitable for evaluation purposes, as it is these behaviours that are needed to illustrate if the programme was able to reach the intended outcomes. According to Lyons *et al*, (2006) this model may be useful for describing how financial literacy programs work, but it has proven difficult to apply as a model for program design or evaluation. This research is about measurement and evaluation of financial literacy initiatives and therefore seeks to analyse models to and find out the one that will work for Botswana. Though difficult to use for evaluation other researchers have successfully applied it to financial behaviour change as indicated above. In terms of evaluation then the Trans Theoretical Model may remain as a theoretical base but with some of its useful points it could be joined for hybrid with other models of evaluation like the Logic Model of Evaluation to illustrate the impact and outcomes of financial literacy. According to Lown and Nelson (2013:15) there is need to include some basic information about evaluation concepts and methodology, such as information on the logic model or models in conjunction with the

stages of change. This connection will assist in the dispersing the idea that the Trans Theoretical model is ill fitted for programme evaluation.

2.8 Chapter Summary

This chapter discussed personal financial planning and the concepts in association with: financial literacy, financial education, and financial inclusion. The different approaches to defining financial literacy which are the cognitive approach and the outcome based approach were highlighted. The value of integrating these in offering financial education is appreciated yet challenges such as the lack of criteria for measurement and lack of measurement tools have been identified. The chapter also discussed the theories associated with financial literacy: the goal setting theory and the motivation theory. It further discussed theories and models of measurement and evaluation of financial literacy programmes: Programme Theory Evaluation (PTE), The Logic Model and the Trans-Theoretical Model. The incorporation of financial capability into the definition of financial literacy as behavioural outcomes motivated the discussion on behavioural theories underpinning financial education. The chapter also identifies behavioural outcome indicators and the challenges in reaching a consensus in naming them for measurement and evaluation purposes. The next chapter forms the empirical evidence of the study by exploring different financial literacy initiatives around the world.

CHAPTER 3 FINANCIAL LITERACY AROUND THE WORLD

3.1 Introduction

The previous chapter outlined the value of personal financial planning and defined concepts associated with it: financial literacy, financial inclusion, financial capability and financial education. While the chapter also explained theories and models of motivation behavioural change, chapter three presents the empirical evidence of financial education and financial literacy of studies around the world. It outlines the benefits of financial education, the content, the target audiences and the solutions to deal with financial illiteracy.

3.2 Benefits /value of Financial Education

The concept of financial literacy denotes in its definition that its outcomes knowledge, skills and attitudes expected to yield benefits for an individual. The target is always the consumer but financial education has latent consequences for institutions and policy makers too. The issue also then arises as to who are the rightful beneficiaries of financial education. Authors like Kotze and Smit (2008:8) outline it clearly that all stakeholders must benefit, from financial literacy initiatives. The young and the old alike should benefit being targeted for various topics on finance like debt management, budgeting and planning savings and investment. This will empower them with basic financial skills to successfully manage their personal finances. This means that everyone should have the opportunity to receive such an education weather they are at a tender age or are they are old. Therefore the financial education is universally needed by all so that all may be able to first and foremost have and understanding of financial products and concepts.

According to Fox, Bartholomae, and Lee (2005:195) financial education can include any program that addresses the knowledge, attitudes, and/or behavior of an individual toward financial topics and concepts. The *OECD*, (2005:2) defines financial education as “the process by which financial consumers/investors improve their understanding of financial products and concepts.” These topics and concepts form the content of financial education

programme which has been discussed more elaborately above. In this section it is important that the focus is on the value of the content than the content itself. In view of the above it is clear that financial education has been defined to include any program that addresses the knowledge, attitudes, and/or behavior of an individual toward financial topics and concepts. To achieve this goal, Fox, Bartholomae and Lee, (2005:195) agree that financial literacy education programs aim to:

“Increase financial “knowledge” with financial education programs generally of three types: education that offers broad financial education on savings, budgeting, investment, and credit management; education on retirement and savings; and education on home buying and management.”

There is an indication of mainly the content that is usually included as the curriculum for a financial education programme. Other authors like Gerardi *et al.* (2010) decompose the concept financial literacy into money literacy, price literacy and budget literacy. According to Kefela (2011: 3702), however there are five thematic areas for studying financial literacy which are: “budgeting, savings, debt management, financial negotiations and bank services”.

According to Hastings Madrian and Skimmyhorn (2012:10) micro level, individuals should be able to make sound and informed financial decisions. They are in agreement with the OECD (2015:4) which states that: “financial literacy ought to assist individuals to make informed choices”. After learning from the initiatives consumers should show the capability and confidence to use financial knowledge to make financial decisions. This is supported by Huston (2010:307) and advises that: “when developing an instrument to measure financial literacy, it would be important to determine not only if a person knows the information but that the person can also apply it appropriately”. The implication therefore is that, financial literacy goes beyond gaining knowledge but the benefits of receiving recline into applying it to real life financial situations.

This is further explained by Atkison and Messy (2011:4) who write that financial literacy is more than just knowledge; it also includes attitudes, behaviours and skills. According to them financial literacy emphasises the importance of decision making which is viewed as the utility aspect of knowledge acquisition. Braunstein and Welch (2011:455-456) concluded that in summary the value of financial training resonates well with the traditional adage that financial education has a manifested consequence of producing a well-informed consumer. The OECD (2015:4) definition appropriately refers to the compelling behavioral motivations for financial education. Mandell and Klein (2007:107) attest that the process enables more effective financial decisions with the often stated-motivation “to improve the financial well-being” of individuals and families making those decisions. In addition Mundy and Musoke (2011:15) also highlight that giving information to consumers is a way of feeding them with facts, data and specific knowledge to make them aware of financial opportunities, choices and consequences. They contend that this:

“Information can also come in the form of advice involving providing consumers with counsel about generic financial issues and products so that they can make the best use of the financial information and instruction they have received.”

From this statement, there is the introduction of one of the approaches of offering financial education which is financial counselling and giving advice to target groups. This statement also gives light that information or content for financial literacy may be general rather than specific such that in the discussion of financial education content the general aspects become variables in the research constructs. In terms of offering information however, Hilgert, Hogarth and Beverly (2012:321) say people should make a distinction between giving information and providing education. Education may require a combination of information, skill-building, and motivation to make the desired changes in behavior. The distinction between information and education is an especially important point for policymakers and program leaders making decisions about the allocation of resources. In addition

Frańczek and Klimontowicz (2015: 63) write that financial education enables the change of attitudes and patterns of financial behaviours and the understanding of customers' rights and obligations. It is necessary to make rational, informed financial decisions. This is why it is agreed with Mason and Wilson (2000:5) that "education for financial literacy is meant to provide individuals with the knowledge, aptitude and skills base necessary to become questioning and informed consumers of financial services to manage their finances effectively." Consumers who question services offered to them provoke service providers to give them appropriate information, to improve service, to provide quality products and services. Even though the benefits of financial education are quite colourful, the concept has had its share of criticism from authors and researchers. In reviewing literature Hastings, Madrian and Skimmyhorn (2012:31) demonstrate that there is contradictory evidence on the effectiveness of financial education and there are no drawn conclusions on what conditions may financial education work. These have been articulated in the previous chapter on the theoretical perspective of this study.

Despite these contradictions at institutional level Sebtad, Cohen and Stack (2006:5) write that the impact of financial literacy could be improved financial performance of the institutions offering these financial services. It is not only individuals that benefit but institutions become responsive to the needs of the consumer and begin to offer better services. There can also be increased responsiveness to the financial service needs of the poor. This is supported by Miller and *et al* (2009:3) and their point is customer awareness helps to improve the efficiency and quality of financial services. The current volatile markets and financial systems require consumers to understand the environment so that they may compare products and services to make better choices. According to Miller and *et al* (2009:3) service providers must disseminate the information so that they promote the strength of the financial markets as information known by one side gives one party an advantage over the other. With financially literate consumers, their awareness makes them better market players and their perception of the service they receive becomes a part of what drives customer service improvement.

It is viewed that clients and the general people that are well informed are aware of their rights and have the confidence to not only speak to get better services but they are also equipped to make better choices. When Remund (2010:279) reviewed of research studies which were conducted since 2000, they found out that many conceptual definitions of financial literacy fall into five categories: '(1) knowledge of financial concepts, (2) ability to communicate about financial concepts, (3) aptitude in managing personal finances, (4) skill in making appropriate financial decisions and (5) confidence in planning effectively for future financial needs.' Confidence becomes a factor to consider and a variable to measure. According to the OECD, (2015:5) definition, financial education "helps consumers/investors develop skills and confidence" and surely Arellano, Camara and Tuesta (2014:3) also make an addition that self-confidence has to be developed as it aids consumers and investors in decision-making. This is because in their confidence model to financial literacy (Arellano, Camara and Tuesta, 2014:6) financial capacities comprise of cognitive factors (knowledge, understanding or acumen, among others) and non-cognitive (personal attitudes). As financial education yields both financial literacy and financial capability, then it is reasoned that confidence can be developed as a result of financial education. This is value for both consumers and investors.

Financial opportunities are becoming many but they are accompanied by the associated risks which makes financial decision making more and more complex. To deal with these complexities financial literacy education may be the key. The definition (OECD, 2015:5), highlights that financial educations make the "consumer/investor becomes aware of risks and opportunities". The purpose of financial behavior change according to Ozmete and Hira (2011:386) is to ensure that people are able to manage their personal finance so that they may achieve their financial goals. Johnson and Sherraden (2006:6) present their view to say financial literacy may have benefits but it does not mean that it does not have shortcomings as it is not the answer for everything. However if it is complimented by with financial capability it can help the individual to engage well in economic life. They conclude by stating

that: “This is more likely when people are able to convert knowledge into action”.

On the issue of being able to avoid risks in their investment, Hilgert, Hogarth and Beverly (2012:321) believes that financial education will assist individuals to deal with ever changing and risky financial environments. According to them (Hilgert, Hogarth and Beverly (2012: 321) if people and households are financially literate they are able to sustain their wellbeing and also contribute to the development of the societies they live in. This statement is supported by Mahdzan and Tabiani (2013:42) with a declaration that at the macroeconomic level, if consumers able to put aside money for investment and savings they contribute to their country’s economic growth. The money invested or saved is utilised by companies and other organisation to keep the economy going. In return the institutions play a vital role also in economic growth. This is because personal savings boost national savings; as such individual must be given financial education to heighten their understanding of financial opportunities. Financial education therefore is important not only to individual households and families but to their communities as well. This gives the value of financial education to a wider economic setting.

In the economic environment consumers are constantly faced with changing environments and Cohen and Nelson (2011:6) write: “challenges of money management are never static, nor are the solutions. For the poor, the pressure of juggling money never abates as they deal with unpredictable and seasonal incomes, and the financial pressures of life cycle events’. This implies that there is need to empower individuals so that they may be able to deal with forever changing financial pressures in their economic environment. To reiterate on the issue of empowerment Miller and *et al* (2009:8) advocate for the empowerment of the consumer as they say: “Financial literacy is an active process, in which communicating information is only the beginning; empowering consumers to take action to improve their financial well-being is the ultimate goal. Financial literacy is critical for promoting access to finance by creating incentives and environments that promote desired financial

behaviors such as saving, budgeting, or using credit wisely.” As the economic environment change and present trends and challenges people who are financially literate may be able know how to combat them.

In research conducted in Australia Worthington (2006:1) noted that changes in the financial services market in Australia required that consumer become more knowledgeable if they are going to manage their finances effectively. Rutledge and et al (2010:3) also state that:

“Financial literacy initiatives give consumers the knowledge, skills and confidence to understand and evaluate the information they receive and empower them to purchase those financial products and services which meet their needs and that of their families”.

These claims imply that if people are financial literate they become aware of their consumer rights and therefore start demanding good service from those that offer financial services. This follows that in the evaluation of financial literacy and using a well thought framework both the consumers and the service providers may benefit from the conclusions drawn. In the long run it is expected that consumers become more secure and confident to manage their personal finances.

Consumer level benefits are added as Sebtad, Cohen and Stack (2006:5) write that in the long the run people are able to accumulate assets which will come in valuable during the time of need providing financial security. Asset building is important for future during times of retirement so that individuals maintain the life they lead when they were in their prime years. In addition on the issue of asset building Bell & Lerman (2005:8) state that

“Financial education, especially for economically vulnerable families, is an important part of an asset-building agenda. Increasingly, sponsors are linking financial education programs to tax refunds, buying a home, required registration for pensions, participation in welfare programs, and other key moments.”

This claim not only outlines the benefit but it highlights the areas to cover and evaluate on for a financial education programme. It is also of importance to note that the target audience is for such programme is the vulnerable consumers in the society.

Despite the colourful upside of financial education outcomes, literature offers mixed evidence on financial education providing measurable benefits. Fox, Bartholomae, and Lee (2005:2018) are of the view that this is because financial education programs often omit evaluation as a component of their program design. Financial literacy programmes must include evaluation from initial stages to the last. In addition to lack of inclusion of the evaluation aspect (Schuchardt *et al.*, 2009:88) there is a lack of consistency among researchers on how to define and measure program success and an inability to address challenges related to differences in methodology, data collection, and analysis. In particular say Schuchardt *et al.* (2009:88) existing studies tend to lack adequate methodological controls for potential sampling and selection biases, compounded by an under-estimation of environmental impacts. These inconsistencies in measurement, evaluation and methodological approaches make the development of evaluation frameworks difficult but equally provide open opportunities for research.

According to Willis (2008a:4) the pursuit of financial literacy poses costs that almost certainly swamp any benefits and for some consumers, financial education appears to increase confidence without improving ability, potentially leading to worse decisions. Willis (2008b:2) also says that researchers who have done the evaluations do not make a sweeping statement of financial education resulting in benefits, but they have problems of validity and reliability in collection and presentation of data on evaluation. These mixed evidence alerts the researcher that some of the initiatives may have not been evaluated or if they have, they may have had a large portion of research delimitations. Therefore, to address this, the researchers must always pre-test data collection instruments to ensure validity and reliability. On the point of causation Schuchardt *et al* (2009:88) write that there is little conclusive evidence to suggest causation:

“While evidence suggests that financial education leads to more improved financial behavior, the literature has been unable to clearly establish this relationship as a stylized empirical fact. There is still considerable debate among researchers as to whether financial literacy and education actually results in long-term improvements in financial behavior and wellbeing.”

In summary the following are some of the benefits of providing financial literacy and these are the impact that this study searches for from the targeted group which received the education from various financial literacy initiatives in Botswana.

- Asset and wealth accumulation (Sebtad, Cohen and Stack:2006:5, Bell & Lerman 2005:8)
- Financial decision making (Braunstein and Welch, 2011:455-456)
- Reduced vulnerability to financial problems (Sebtad, Cohen and Stack (2006:5)
- Promotes economic growth financial wellbeing Miller and *et al* (2009:8; Bell and Lerman, 2005:8)
- Community and macroeconomic level growth (Mahdzan and Tabiani:2013:42; Hilgert, Hogarth and Beverly, 2012: 321)
- Empowerment (Rutledge and *et al* 2010:3) and Miller and *et al* 2009:8)
- Improves financial services – consumers able to assess financial products (Miller and *et al* 2009:8; Worthington, 2006:1; Rutledge *et al* 2010:3).

Cohen and Nelson (2011:6) summarises the definition briefly to say that financial education is the process of building knowledge, skills and attitudes to become financially literate. What is common from all the definitions is that financial literacy is “the knowledge, skills and attitudes” (these forming the domains of the concept of financial literacy that have been elaborated above). From these definitions the benefits of financial education were drawn. With regards to financial education what is common about it is that it is a “process” to acquire ‘knowledge, skills and attitudes’. Therefore

knowledge is the content of the programme that a provider of financial education should select for the target group. The skills are the functions that the individual must perform while attitudes are the behaviours expected to be displayed after receiving such knowledge. If such behaviours and attitudes are displayed and if the skills and knowledge are applied in real life situation it means financial education has a positive impact.

3.3 Purpose and Content of Financial Education

Financial literacy initiatives are nowadays offered in the context of what the consumer or the target audience need. This is why providers offer tailor made programmes- this also affects the purpose, the selection of content and the methods of delivery (Willis 2008b:3). The OECD (2015:5) has included this: “to improve their financial well-being” being deduced from the definition as the overall purpose of offering financial education. In reviewing literature, Huston (2010:303) says that over the last decade, it is indicated that at least four distinct content areas were used to varying degrees: Money basics, borrowing, investing and protecting resources. This is why some authors like Suwanaphan (2013:1063) have outlined the following areas of knowledge:

‘basic knowledge about revenue and expense management (*Money basics*), knowledge about debt management (*Borrowing*), knowledge about risk management (*protecting resources*), and knowledge about investment management (*Investing*)”

Fox, Bartholomae and Lee (2005:197) also write that institutions which offer financial education are categorised into three considering the topics they prioritise:

“First, there are programmes directed at improving financial literacy by broadly addressing personal finance topics, such as budgeting, saving, and credit management. Second, there are programmes that give specific training in retirement and savings and are generally offered by employers. The third major category of programmes addresses home buying and home ownership.”

Therefore the content so far drawn from Bartholomae and Lee (2005:197), Suwanaphan (2013:1063) and Huston (2010:303) are that of: money management, investment, budgeting, saving, credit management, income management, asset protection and resources, and risk management. The content that has so far been discovered as common for Botswana situation is: financial management, savings, retirement, insurance, investing, credit or loans. These are the common issues that are discussed in financial literacy education but programmes differ and some may have different goals and topics. What is important is to understand the priorities (content) in financial education so that the programme may be a well fit for purpose to the recipient. The OECD (2015) state that:

“Financial education programmes should focus on high priority issues, which, depending on national circumstances, may include important aspects of financial life planning such as basic savings, private debt management or insurance as well as pre-requisites for financial awareness such as elementary financial mathematics and economics.”

Around the world an example of programme which has been evaluated is that of the *Money Smart* program. In Chicago as narrated by Lyons and Scherpf (2003:4), it selected five key areas:

“General banking services, how to choose and maintain a checking and savings account, how to budget your money, the importance of saving, and how to obtain and use credit effectively”.

Lyons and Scherpf (2003:4) relate that the target sub groups were: “welfare-to-work participants, Spanish-speaking immigrants, Chinese immigrants, public housing residents in Chicago, and community college students” and that the primary goal of the *Money Smart* program was: “to provide individuals with the necessary information to evaluate and make their own financial decisions”. The evaluation model presented was focused on finding the relationship between the financial training offered and moving to being banked. It excluded impact variables that are needed for the Botswana context and therefore may not be suitable for use as a tool for evaluation.

However, there are other models discussed in the theoretical framework of this study which may have some aspects relevant for Botswana. In the light of the purpose of financial literacy in Botswana some of the institutions gear towards improving and preserving the financial wellbeing for its customers like Letshego Financial Services Botswana (The Gazette Newspaper 27, November 2014), and the content of financial Management. Other institutions like Bank of Botswana celebrate bank week and educate target audiences on fraud, indicating that some have short term and long term objectives.

3.4 Target Groups for Financial Education

According to Cohen and Nelson (2011:11) financial literacy audiences are diverse depending on their needs and circumstances. Therefore target audiences being heterogeneous can be categorised by age, gender, employment status or educational background. Other factors which may assist in the selection of a target group for a financial literacy initiative is to consider how they relate to products and services or their socio economic status. This because Cohen and Nelson (2011:11) also say that financial illiteracy is common among low income earners, the poor and the illiterate groups (Lusardi and Mitchell 2008:1). The following are some of the target groups that institutions, practitioners and researchers show interest in.

Most of the literature points to the poor as the target audience forming the largest population targeted for financial education programmes as they are deemed more vulnerable than the wealthy. In the section on the benefits of financial, the issue of vulnerability (Sebtad, Cohen and Stack 2006:5) is discussed to say that it is one of the outcomes expected for targeting the poor or marginalised groups. The poor are usually at a disadvantage as they often lack the means to recover from loss posed by risks in the financial environment or during a financial crisis. This may be tackled by involving them in insurance to secure their investments (Miller and *et al* 2009: viii). In measuring and evaluation of a programme targeted for this group it is important to note if the consumers were able to build up confidence and become secure in dealing with financial issues. This is because the poor often lack confidence in dealing with money or life in general.

Besides the focus on the poor there is also a great focus on the low income earning groups in developing countries. Wyatt (2009:3) supports this by mentioning many segments of low income earners including the unemployed. Since Botswana is a developing country it is of interest to find out the target groups and the subgroup that inspired the institutions in Botswana to offer the financial programmes. According to Grifoni (2013:15) there are a lot of people in developing countries who are not only poor but are also disadvantaged by being faced with lack of resources hence susceptible to risk in the financial environment. The other group which has received attention in many studies is the youth. Many people are concerned about the youth as according to Johnson and Sherraden (2006:3) this is the group which will in future be active in leading households and the economy. It is believed that the youth are demanding from their parents and providers therefore even if it is not preparation for the future they should understand their present situations and financial constraints. This is why Cohen and Nelson (2011:11) write that financial education offered to youth is often purposed to teach negotiating with parents, reducing spending money, the value of saving, and planning for the future rather than focusing on investing. Another group which has drawn the attention of providers and researchers are the migrant workers. The group needs to be taught how to budget, manage income and expenses as the expenses of migration before settling down could be overwhelming to them. According to Cohen and Nelson (2011:11) they are also faced with responsibility of sending money home. Remittances are part of microeconomics as they may cost the individual migrant worker depending on the currency exchange rate and the tariffs; therefore it is not surprising that financial education may also focus on this target group. According to Gibson, Mackenzie and Zia (2012:1) the remittances could be very low but attracting costs of sending. Sometimes they do not have information on the tariffs. These are the issues that the migrant worker may be educated on so that they may not be victims of information asymmetries.

In the consumer population other authors stress that both children and adults alike are in need of financial education (Kotze and Smit 2008:8). Some of those who offer financial education believe that children at a young age should be the focus audience because they may translate the knowledge, skills and attitudes into their adult life when they have to manage their finances. Mandell and Klein (2009:1) conducted a study with the target audience being school going children with the idea to assess the effectiveness of financial literacy courses in high school also wondering how this may affect them in adulthood. In conclusion Wyatt (2009:3) says that in choosing the target audience the following factors may be considered as they influence financial literacy behaviour: levels of literacy/numeracy, gender, age, access to technology education, cultural beliefs, ethnic background and religious background. In their offering of financial literacy training it is to be found out if institutions in Botswana considered these factors.

3.5 Approaches to offering Financial Education



According to Mundy and Musoke (2011:15) financial literacy can be improved through financial education, information, instruction, training and advice. This outlines the ways or approaches to delivering financial education which can be done in so many different ways. Hastings, Madrian and Skimmyhorn (2012:30) also write that much of the literature on financial education focuses on traditional, classroom based courses and so they urge researchers and instructors of financial education to think more expansively about integrated approaches to financial education.

There are several approaches to financial literacy but the most prominent ones are classroom instruction, web and social interactions, and credit counselling. Some researchers found out that different institutions may use strategies like seminars, paper based materials and advisory and counselling services (Miller and *et al* 2009:11). Since the target audiences and groups are different in their demographics it shows that approaches to financial literacy should be tailored and customised to the group. This is why there may be special modules and workshops (Lusardi and Mitchell 2009:2) designed for particular groups. Atkinson (2008:70) also comments that many

of the financial literacy initiatives which have been evaluated use methods such as seminars, lessons or workshops. As others use these methods Cohen and Nelson (2011:11) advocates for: “tailored training to clients, as well as keeping the programme material flexible and dynamic” This implies that there is no prescribed way to offering financial education which means it depends on the group, the purpose of the programme and the selected content that the group needs.

In support of selecting the approach according to target groups, Cohen and Sebstad (2003:14) behaviour change may be achieved more effectively if the courses are group oriented as it allows for detailed content to be covered. This informs the researcher that in evaluation of the initiatives in Botswana there might not have been a standard method of delivery because of the diverse characteristics of the target groups that received the education. Most of the group training is done face to face to offer credit counseling and debt management advice sessions. Face-to-face interactions and credit counselling are common and Cohen and Nelson, (2011:21) says that this approach may be used to deliver detailed content with participants contributing directly to learning the skills and knowledge, personalizing the experience and giving direct response. On issues of evaluation it is easier to monitor quality and evaluate the outcomes by using different channels. In view of the advantages communicated, these approaches sound as the most effective compared to the rest. However in designing the programme the environment and the target group may not be suited for the approach which means that even if these are good approaches other variables may counteract their advantage.

Technology is also one the aspects considered in bringing an interactive environment for the target audiences. This is because technology is exciting, provoking and challenging. Youth and adults alike are drawn to technology in social media, videos and storytelling through soap operas. Xu and Zia (2012:29) indicate that at the time they carried out their study there were several new financial literacy initiatives which had adopted creative interactive methods of delivery in developing countries:

“For instance, Karlan and Valdivia (2014:14) were studying households in Peru to test the effectiveness of financial literacy education delivered through video and radio. Berg and Zia (2013:8) were testing the impact of financial literacy messages delivered through mass media and soap operas in the Gauteng region in South Africa”

However Xu and Zia (2012:29) highlight that that many of the new programmes in developing countries did not have plans for evaluation. The lack of evaluation is a drawback for knowing the impact, outcomes and effectiveness of the programmes. Media and internet as written by Looney (2011:5) is trending and highly being used to deliver financial education. New technology is now fashionable as providers use websites, social media and even “edutainment”. As Yoong and *et al* (2013:16) present it, mass media is used to cover large populations. Cohen and Nelson (2011: 21) also report high utilisation of print media is with messages written in bank statements. They mention prevalent use of brochures, billboards, posters and newspaper advertisements to pass messages to consumers. However these approaches pose challenges to monitor quality and evaluate outcomes because the target audience is dispersed and not easy to reach. If this is so impact evaluation for this approach may be very complex and should be well thought out. It is also expensive to reach a dispersed audience and research on evaluations needs substantial amount of funding.

However complex and expensive, evaluation is still vital to check progress and effectiveness. Other than this, technology and mass media are usually exciting and attractive to audiences and as such these approaches should continue to be used. Hastings Madrian and Skimmyhorn 2012:30) say: “There are many other ways to deliver educational content that could improve financial decision making: internet-based instruction, podcasts, websites, games, apps, printed material.” Besides the use of media, multimedia and internet other methods identified are short workshops as suggested by Grifoni (2013:31). The various financial education delivery methods such as in-person, telephone, simulations and these according to Schuchardt, Hanna,

Hira and Lyons (2009:89) have received considerable amount of research by scholars. However they indicate that more research is needed to better understand what delivery methods work, with whom, and why? This is a welcome contribution bringing out the element of finding out the impact, the effectiveness, the suitability and the reason for use of these approaches on the audience.

3.6 Causes and Effects of Financial illiteracy

The different types of groups have varied levels of financial literacy of which different factors could be the cause. One of these factors is the level of education. The OECD (2009:5) indicates that is people do not receive adequate financial education; consumers are at a risk of making wrong choices, responding to situations in an illogical form. Lack of education can also lead to financial exclusion breaking the link between people and the financial system. People may not get the right information and therefore this may lead to information asymmetry. The OECD (2015:4) came up with solutions that governments, private and public sectors should ensure the promotion of financial capacity building, based on proper financial information and instruction. Lack of information is a factor as Lusardi (2008:1) attest to that saying when people do not get information they may not be able to save or prepare for retirement adequately. The OECD (2015:4) encourages the best practice of nations to make provisions for retirees by stating:

“The awareness of future retirees about the need to assess the financial adequacy of their current public or private pension’s schemes and to take appropriate action when needed should be encouraged.”

This does not help in wealth creation or in understanding basic financial concepts. As pertaining to investment Rooij, Lusardi and Alessie (2007:2) say financially illiterate people do not have the tendency to participate in stock or buy high-return assets. To cement this Bernheim *et al* 2001:6) and Varcoe *et al*.2005:5) view formal financial education as very important to combat financial illiteracy. Sometimes it is lack of advice from experts. Rooij, Lusardi and Alessie (2007:2) argue that people with low literacy do not ask

for professional help, as they tend to consult family and friends for financial advice yet those with higher levels have the tendency to read newspapers, books and find information from the internet. From the background of this study, OECD/INFE (2009:4), report that before the 2008 crisis were less aware of the risks involved in their decisions as for instance did not understand the terms and conditions of their mortgages. This attracted debts and it was because they did not consult the right people. Financial education may have helped them be aware of the risks they were in OECD/INFE (2009:7) says that time is also a factor in being available to be taught. It is not often easy to give financial education at work because of busy schedules and the rationale on how to do it is always difficult to arrive at. (Clancy, Grinstein-Weiss and Schreiner 2001:6). There may be many other factors besides these ones and not captured by this study but what is most important is that whatever the cause the importance of financial education is stressed.

3.7 Solutions: Enhancing Financial Literacy Initiatives

According to OECD/INFE (2009:9), Lusardi and Mitchell (2013:44), Messy and Monticone 2012:46) Klapper, Lusardi and Panos (2011:1) aftermath of the 2008 global financial crisis gave an increased awareness by the public, policy makers, private sector decision makers and has prompted governments and interested stakeholders to take some remedial policy actions in the financial education area. This has been expressed in Brazil (OECD/INFE 2015:46). The United States of America (National Strategy for Financial Literacy 2011:1).Canada (National Strategy for Financial Literacy – Count me in, Canada 2015:5), South Africa Department of National Treasury Republic of South Africa 2013:1), Australia (Taylor and Wagland 2013:68) all around the world hence prompting the need to enhance financial literacy initiatives such as developing national strategies to deal with the problem. Since countries and their needs are diverse, this is why Messy and Monticone 2012:46) mention that “The state of development of financial education initiatives is quite heterogeneous across countries.” They instance the strategy of Ghana by saying “The government of Ghana adopted a National Strategy for Financial Literacy and Consumer Protection in the

Microfinance Sector in 2009, and is planning to enhance financial education in schools.”

To cement on government intervention Bell and Lerman (2005:3) write: “Education programs are becoming increasingly linked to government agencies as well.” According to (OECD/INFE 2015:3) the OECD project began in 2009 on national strategies in order to address the effects of the 2008 global financial crisis. The main agenda was to give a framework to countries on how to address issues of consumer protection and financial inclusion. These national strategies are supposed to consequently translate financial education into financial stability and development. To enhance financial literacy initiatives researchers recommend for countries to concentrate on developing national strategies. (OECD/INFE 2015:3)

The OCDE (2013:31) reports of successful national strategies of which Botswana may use as bench mark for its National Strategy. According to OECD (2013:31) the success of a national strategy is determinant by the main ingredient of stakeholders’ involvement which is termed as a multi-stakeholder approach (OECD/INFE 2015:47) to enhancing financial literacy initiatives. This has been embraced by other authors: Gale and Levine (2010:2) also advise that on ensuring the effectiveness of financial literacy initiatives, policy-makers makers should be on the lead of the financial literacy campaign. The involvement of policy makers is further cemented by authors like Holzmann (2010:13). Mandell and Klein (2007:2) policy makers now are convinced of the positive impact of financial education and therefore should be made obligatory to implement. Taylor & Wagland, (2013:69) give examples of Australia and New Zealand where government and the private sector have collaborated to enhance financial literacy initiatives. This has shown progress in the fight against low levels of financial literacy. Countries mainly focus on children as starting financial literacy education at an early age, to prepare them for the financial challenges experienced in adulthood. In many of the national strategies it is recommended that the curriculum begin from kindergarten. The examples of such are The Australian National Strategy which has been developed which has targeted school going children

to raise their level of financial literacy According to Taylor & Wagland (2013:69) main emphasis is to include financial education in the existing school curriculum, starting from early childhood to in kindergarten until year 12 students. In support of this Sundarasen (2016:68) write that young people have to prepare for money management in future. Through national strategies governments must make attempts to prevent the crisis from happening again. Mandell, (2009:1) urges countries take lesson from the United States of America which is wary of a possible repetition of the 2008 crisis.

Measurement & Evaluation is also one of the greatest ways to find ways to improve and enhance financial literacy initiatives. In delivering this education it is clear that there is need for define purpose (the intended outcome), carefully selected content, and appropriate approaches that suit the target audience for the financial literacy initiative or programme. These criteria should also include the evaluation exercise which may also enhance financial literacy initiative. To support this claim Remund (2010:292) says that the consistency and legitimacy of the achievement for financial education should be tied with solutions to be used to write about such accomplishment for various content areas, the approaches and target audiences. This shows that in evaluation, it is imperative to make the content and the target audience part of the criterion for evaluation. The idea is stressed by Monticone and Messy (2011:36) highlighting that collecting evidence on financial literacy would be useful in the selection of target groups, and in choosing appropriate delivery channels and relevant contents, hence ensuring an efficient use of resources.

According to Miller and *et al* (2009:6) the evaluation of financial education is innately complex to be conducted. They state that as financial education attracts the attention of policy makers and various sponsorships which fund the enhancement of the initiatives. Such attention and sponsorship demand evaluations to inform them of the return value of their investment in the programme but a standardised structure for guidance to do such is lacking. According to Willies (2008a:16) the limited efforts of evaluation which have already been done have unconvincing results. In the case of Botswana there

is minimal empirical literature in the evaluation of financial literacy initiatives and this is supported by Monticone and Messy (2011:27) who note that Botswana, by being among the developing countries, has features of limited financial education or any measurement and evaluation for the few initiatives. The lack of measurement and evaluation is emphasised by Xu and Zia (2012:24) write most of the measurement and evaluation exercises are mostly conducted about and in developed countries more prevalently in the United State of America. It is only in the recent time that some measurement evaluations are conducted in developing countries. This indicates that even where there are financial literacy initiatives in developing countries most of the empirical literature which exist on measurement and evaluation of financial literacy is on developed countries. The next section provides empirical research on measurability of financial literacy.

3.8 Studies around the World

Around the world financial education programmes have been evaluated and in some reports it has also been written about the different target groups, the content and the purposes as to why the programmes were implemented. Some studies in places like Australia also measured confidence and financial capability. Some are on impact analysis like in Brazil while others are closer to home in South Africa with quantitative measures of financial literacy.

3.8.1 Evaluation of Financial Education after the 2008 Crisis: America

Even though America has a lot of financial literacy initiatives and programmes especially after the credit crunch of 2008, American financial education providers have concluded that evaluations are still far from satisfactory. The authors also recognise that the reasons behind less than adequate evaluations included the lack of resources, particularly at grass-roots level, and the lack of evaluation tools and training sessions at the national level (Atkinson 2008:74).Bumcrot, Lin and Lusardi (2011:1) conducted a research on fifty United States financial institutions using a survey of five questions covering: simple calculations about interest rates and inflation, the workings of risk diversification, the relationship between bond

prices and interest rates, and the relationship between interest payments and maturity in mortgages. The questions were based mostly on the content which might not be suitable for Botswana as most Batswana do not engage with bond prices but the question on mortgage may be relevant as most working class Batswana have mortgages. Their report focused on knowledge (Bumcrot, Lin and Lusardi 2011:5) only and did not include the other outcomes as the conceptual framework of this study has unraveled that in evaluation financial outcomes are also important to evaluate. This however does not mean that researchers should always have a wide scope in evaluation of financial education initiatives. In their findings they concluded that financial literacy is rather low in the population and most Americans are not familiar with fundamental concepts that should form a basis for financial decision-making. They also found out that there is considerable geographic variation in financial literacy that only a few studies are beginning to document. Their report was published in 2011 and perhaps assessing a recent study even if it is of different target group and circumstances may give a different perspective.

3.8.2 Financial Literacy and Savings Asia

A study conducted by Mahdzan and Tabiani (2013: 53) in Malaysia states that “in the overall the study has shown that financial literacy is an important determinant of individual savings. Financial literacy, which is defined as individual’s knowledge about basic and topics and advanced topic, such as knowledge/computation on interest rate, inflation rate, percentage calculation, stocks, and unit trusts, has been found to be positively related to the probability of having positive savings amongst individuals, *ceteris paribus*”. The study was conducted using Methods of data collection that were quantitative with quantitative analysis adopting Lusardi and Mitchell (2008) questions. In the event of gathering empirical evidence of this study these questions were be considered but were altered or modified for Botswana context as the content and methods of delivery are different.

3.8.3 Measuring Confidence - Australia

The confidence models in the Arellano Camara and Tuesta (2014:1) research were developed to measure the effects of confidence in financial literacy. As has been discussed in the conceptual framework of this study Remund (2010:281) includes in his definition of financial literacy “confidence in planning effectively for future financial needs”, while Mundy and Musoke (2011:15) cements this to say: “confidence” means feeling sufficiently self-assured to make decisions relating to one’s personal finances. As an element of financial literacy indicators it is therefore befitting to analyse a model that has been applied in research. Arellano Camara and Tuesta (2014: 2) conducted study with the main purpose to analyse whether self-confidence affects financial abilities of young people in Spain, through financial literacy. In their methodology they focused on the role of self-confidence in four dimensions to derive the variable for their research 1) the student’s self-confidence in the environment of their college; 2) self-confidence referring to the utility found at school; 3) self-confidence in relation to the results obtained; and finally, 4) self-confidence in a broader sense. They discarded the classic assumption in regression models which accommodates the independence of the observations but carried out estimations based on a multilevel analysis, in which a hierarchy structure is considered. They derived data from Programme for International Student Assessment (PISA) Financial Literacy (2012) report, conducted by the OECD (2012). They highlight that their choice of multilevel analysis was influenced by the random sampling method from the PISA database which was initially done using stratified sampling. The nested system of random sampling and students ending up with the same characteristics at the same school prevented conventional linear regression analysis from being used. As Arellano Camara and Tuesta (2014:1) created models it assumed that they used more of Confirmatory Factor Analysis (CFA) rather than Exploratory Factor Analysis (EFA) as they were not developing theory but applying it. This is explained by Williams Onsman and Brown (2010:3) on the research article about Factor Analysis and deliberated more explicitly by Suhr (2006:1) stating that: “Confirmatory factor analysis (CFA) is a statistical technique used to verify the factor

structure of a set of observed variables. CFA allows the researcher to test the hypothesis that a relationship between observed variables and their underlying latent constructs exists. The researcher uses knowledge of the theory, empirical research, or both, postulates the relationship pattern a priori and then tests the hypothesis statistically.” Arellano Camara and Tuesta (2014:1) developed four models but the one which they considered to be of interest is model which had the confidence variables. They describe the model 1 as the base model where the dependent variable is built with the scores in the financial literacy test and the explanatory variables are the variables of interest: those variables relating to self-confidence:

Model 1

- The *selfconf* variables refer to different variables which try to measure the student’s level of self-confidence
- The variables *selfconf1a* and *selfconf1b* are statistically significant and with the expected sign.
- The variables *selfconf2* and *selfconf3a* are non-significant in this first regression, although both have the expected sign. However, measuring the level of self-confidence in relation to the results obtained in their negative form, *selfconf3b*, is a relevant variable when explaining financial literacy.
- The *selfconf4* variable is also significant in accounting for the behaviour of our dependent variable.

Their hypothesis is that non-cognitive factors are important to determine the financial behaviour of young people, as much as these influence cognitive factors. It is to be noted that the conceptual framework of this study accommodate the both the cognitive and non- cognitive variable to constitute financial well-being. Therefore in relating to their hypothesis the results show that individuals with higher levels of self-confidence score higher in financial literacy tests. According to Arellano Camara and Tuesta (2014:11) these skills, together with personal attitudes, determine the financial behaviour patterns of the economic agents involved. They however, indicate that very high levels of self-confidence run the risk of over-confidence. They further make conclusions that, although self-confidence improves wellbeing, the

likely existence of diminishing returns for this variable could lead to a loss of wellbeing. This idea is also reflected in the results obtained when perseverance is included in the model: other than confidence the other non-cognitive variables included in the models is that of perseverance and motivation.

The uniqueness this research is that it has developed the models to measure the aspect of confidence and other non-cognitive variables in financial literacy. Most researches focus on the cognitive approach to financial literacy. Arellano Camara and Tuesta (2014:11) state that: "This study offers an initial approach to the impact of non-cognitive factors on financial literacy." They specifically showed how self-confidence, measured in different spheres of life, affects financial literacy, impacting on the way people process information and on decision-making.

3.8.4 Adult Financial Literacy in Australia

In another study conducted by Worthington (2006:16) the researcher used Logit models to predict financial literacy using the 2003 ANZ Survey of Adult Financial Literacy in Australia. It has been shown that financial literacy in Australia varies strongly according to some demographic and socioeconomic characteristics. All other things being equal, males, older persons, people whose occupations are professional, business owners and executives, small business and farm owners and semi-skilled trades, those with a university education and those with higher levels of income, savings and mortgage debt have a greater likelihood of a high level of financial literacy. Conversely, females, the unemployed and other non-working persons, people with the occupation of farm worker, and those whose highest educational level is Year 10 or lower, Year 12 or technical college have a greater likelihood of a low level of financial literacy. This according to Worthington (2006:16) generally, the models specified satisfactorily predict financial literacy outcomes. The Logit model as discussed in the theoretical perspective is attributed to be useful for evaluation purposes and Worthington (2006:16)

3.8.5 Studies on Immigrants- Australia and New Zealand

A research conducted by Gibson, McKenzie and Zia (2012:20) on immigrants in New Zealand and Australia sending money to Pacific Islands, Philippines and Indonesia showed that simple financial education training for migrants can change their knowledge about the costs of remitting and lead them to look around more at better prices. The training taught migrants the different elements which make up the cost of sending remittances and how to compare costs across methods, explained how different methods of remitting work including alerting them to the presence of new methods, and also covered content on comparing costs of different methods of short-term credit financing for immigrants. Their experiment was designed to measure the impact of providing financial literacy training to migrants. In their study they used randomized experiment designed to measure the impact of providing financial literacy training to migrants in New Zealand and Australia – countries which had recently launched a remittance cost comparison website (www.sendmoneypacific.org) for sending money to the Pacific Islands, and, in the case of New Zealand, where regulatory reform had led to the introduction of new remitting methods. From their findings Gibson, McKenzie and Zia (2012:22) say that even though the immigrants could not change either the frequency or level of remittances, training appears to increase financial knowledge and information seeking behavior and reduces the risk of switching to costlier remittance products.

Although there have not been any noted initiatives in Botswana directed at immigrants the measurement and evaluation of their estimate equation may be useful on impact evaluation for Botswana consumers or recipients of the programmes. Their content too is notable to comment on and indicate that it was suitable for the audience it intended to reach. The training taught migrants the different elements which make up the cost of sending remittances and how to compare costs across methods, explained how different methods of remitting work including alerting them to the presence of new methods, and also covered content on comparing costs of different methods of short-term credit financing for immigrants. The most important

point is that the financial education was targeted and it had a purpose with a fulfilled outcome.

3.8.6 Marginalised groups in Canada

Research conducted in Canada on low income earners showed positive impact (Robson 2012:42). There is also some promising evidence that financial literacy can: 1. Provide useful knowledge, skills and habits for youth that can be used throughout adulthood, 2. Support improved settlement processes and outcomes for new immigrants and 3. Promote financial inclusion for marginalized communities. In another study on Canada it was found out that 42 percent of respondents were able to correctly answer three simple questions measuring knowledge of interest compounding, inflation, and risk diversification. This was the target content form which financial literacy was measured and it is believed it was in the context of the Canadian environment. This in the applicability of the argument for tailor made programmes in chapter two by authors such as Cohen and Nelson (2011:11) Lusardi and Mitchell (2009:2) and Thomson (2014:11). In their measurement and evaluation Boisclair, Lusardi and Michaud (2014:1) discovered that retirement planning is strongly associated with financial literacy; those who responded correctly to all three financial literacy questions are 10 percentage points more likely to have retirement savings. From the study Canadians performed relatively well in comparison to Americans but worse than individuals in other countries, such as Germany. Among Canadian respondents, the young and the old, women, minorities, and those with lower educational attainment do worse, a pattern that has been consistently found in other countries as well.

3.8.7 Impact Analysis – Brazil

Evidence on impact evaluation in Latin America is viewed as scarce Messy and Chiara Monticone (2013:140) but a particular case in the region is found in Brazil, which is the first country where, in the framework of the Russian Trust Fund, an experimental large scale evaluation was carried out. The evaluation has been applied to a financial education programme for young people in the context of formal education. Grifoni (2013:140) relates that it is the first to find

significant positive impact on knowledge and behaviours of students. The results proved that the programme reached its objectives.

According to Grifoni (2013:140) this, and a careful design which considers the characteristics of the audience and takes into account behavioural and education theories, make it a model initiative for other countries of the region and of the world interested in developing financial education programmes in the context of formal education. This success story may also be a model for Botswana to advice financial education providers to be careful on designing the programmes. The objectives, content and outcomes must be clear. The theory on motivation and behavioural outcomes by Mandell and Klein (2007:107-114) adopted for this study has also been proved by this success.

In Thailand Suwanaphan (2013: 1062) used a questionnaire divided into 3 parts Part 1: For financial literacy, the survey participants are asked to answer 24 multiple-choice questions of their knowledge on 4 aspects. Part 2: For attitudes, the survey participants are asked to answer 34 questions of their opinions. Part 3: For behavior, the survey participants are asked to answer 42 questions of their behaviors and decisions. The parts show that Suwanaphan (2013: 1062) used the three domains (part1 Knowledge, part 2 attitudes, part 3 behaviour) in the conceptual framework of financial literacy to design a tool for impact evaluation on the recipients of the education. The results of their study indicate that the academic support-employees need to improve their knowledge of personal finance as they revealed that they have sufficient knowledge and skills about managing their financial affairs.

3.8.8 Progress for Africa

According to Grifoni (2013:20), so far there is very limited evidence of financial literacy levels in Africa. At the moment, there are no cross-country data available, but a few countries have started measuring it, or have plans to do so, either on their own initiative, or as a part of the international financial literacy measurement exercises promoted by the OECD and the World Bank, under the sponsorship of the Russian/World Bank/OECD Financial Literacy and Education Trust Fund. Even though there may be this report from Grifoni (2013:20), there are some countries in Africa that can be

used for empirical evidence of evaluation conducted. The Master Card Foundation (2011:7) conducted a research using case studies 12 diverse financial education programmes from 12 developing countries, implemented by various organisations, including banks, community-based organisations (CBOs), non-governmental organisations (NGOs), private companies, and donor organisations. These organisations used a variety of delivery methods, curricula, and programme models to deliver financial education to low-income, vulnerable, and young populations. The evaluation tool contained 6 questions collecting information using a questionnaire and then using desktop research to compile the information.

3.8.9 Quantitative Measures for South Africa

In South Africa a financial literacy programme called Bubomi offered by ABSA in 2008 is reported by Messy and Monticone (2012:83). Participants who received the financial education were cautious on borrowing money. This gives an indication of a positive impact of financial literacy on the target audience. The participants were also able to manage their debt better and were sensible about saving. The aim of the programme was to improve basic financial management skills and the target audience was LSM 1-5 who learnt through interactive workshops as a method of delivery of the content. Individual and family needs and wants; spending patterns and budgeting; saving and planning for the future; understanding the banking system and why bank costs should be paid, as well as rights and duties of bank customers. In other parts of Southern Africa Malawi, Zambia, and Mozambique, research was conducted and it was concluded that Malawi had more successful Delivery mode: portable DVD players (Grifoni 2013: 31). The delivery method was able to give the impact desired.

In another research in South Africa, Kotze and Smit (2008:1) investigated the perceptions of 286 Business Management students with a minimum of three years' working and management experience, regarding both their financial literacy and their need and desire for financial education. The outcomes of the study show the necessity for financial education and financial literacy in South Africa. In their conclusion Kotze and Smit (2008:1) report that the

respondents included in the study indicated that limited financial knowledge is associated with feeling less in control of personal finances, and a decrease in confidence in managing money and making investment decisions. This is another research which has shown the purpose of conducting training being achieved and showing the intended outcome from the measurement and evaluation. Their use of quantitative methods and questions are valuable to learn from for the methodology section of this study. A research conducted by Louw, Fouche and Oberholzer (2013:1) also used quantitative methods that may be useful as South Africa is closer to Botswana. In addition to this, the research is pertinent as the contribution it made is that a new suitable questionnaire to evaluate financial literacy was developed for the South African context. This is relevant to this study as the questionnaire was also utilised guiding on how to develop a framework for the Botswana context.

3.8.10 Progress for Botswana

In Botswana which is the state where this current study is carried out, research by Miller *et al* (2009:10) indicate that the support for financial literacy is very slow for public and private sector. Evaluation is said to be very minimal and the programmes are mostly initiated by the private sector. This is supported by Atkinson and Messy (2012:19) stating that in Botswana financial institutions are the sole or main stakeholder involved in the implementation of a financial education project. However just as Miller and *et al* (2009:10), Atkinson and Messy (2012:81) report nothing on evaluation of the programmes. A preliminary investigation before a full research was carried out at the banks and other institutions which provide these programmes as there is not much published on evaluation. Gable (2006:6) suggests that a Consultant engagement process can be done at the pilot stage of the study to establish the relationship between variable, and identify a pattern to be used for the next multiple cases. This was a welcomed contribution such as it enabled being informed before mapping a full investigation and study. .

3.9 Chapter Summary

This chapter discussed the empirical evidence of financial education and financial literacy of studies around the world. It stresses value of financial education, the content usually selected for financial literacy initiatives, the target possible audiences and the solutions to dealing with financial illiteracy. The studies around the world revealed that most of the targeted groups for financial programmes are the poor, the marginalised groups, children, adults and youth. It is also depicted that the purpose of financial literacy initiatives is consumer empowerment for better decision making. The content which is usually prioritised is that of investment, money skills, savings, income and debt management, mostly delivered through classroom instruction and conventional methods. However there are some programme using media and interactive methods. Though there are many programmes around the world most lack measurement and evaluation which is a critical aspect to detect areas for improvement. Those which are evaluated use the multi –step methods. The next chapter is the methodology for this study on evaluating the financial literacy initiatives in Botswana

CHAPTER 4 THE REASERCH METHODOLOGY

4.1 Introduction

The previous chapters provided an empirical review of financial literacy in the world taking cognisance of the theories and models discussed in chapter two. The analysis informs that financial education leads to behavioural change and some countries are making inroads in enhancing financial literacy among their citizens through financial education. This chapter explains the research methodology outlining the way in which the research was carried to arrive at evaluating the financial literacy initiatives in Botswana and assessing the impact on the target audience. It starts by establishing the research philosophy, adopts the research approach and then draws the research design. It discusses the research methods, the target population and data sampling techniques. It concludes with a discussion on the validity and reliability, data analysis techniques, and ethical considerations for research.

4.2 The Research Philosophy

According to Uddin and Hamiduzzaman (2009:656) a research philosophy is a belief about the way in which data about a phenomenon should be gathered, analysed and used. In research it is about presenting truth and logic (Uddin and Hamiduzzaman (2009:656) "with ontology referring to the theory of reality what reality generally looks like irrespective of the precise knowledge of it, whereas epistemology refers to the theory of knowledge". Gray (2013:19) says that knowledge about reality is what particular properties and relations of reality can be described. In relation to these three branches of philosophy, Creswell (2013:6) identifies three world views on how knowledge should be presented, how truth should be told and how researchers conduct to gather and present the knowledge. Creswell (2013:6) state that: "the three worldviews are general philosophical orientation about the world and the nature of research which the researcher brings to a study. These world views are post positivism, constructivism, transformative, and pragmatism." Research in the past mostly relied on the positivism philosophical stance claiming that truth was absolute and this was steeped in

the traditional scientific approaches to research (Crossan 2015:54; Gray 2010:21; Hirschheim 2010:10).

As research evolved the positivist approach was criticized for not providing the means to examine human beings and their behaviours in an in-depth way (Crossan (2015:49). This brought a paradigm shift in research. According to Creswell (2010:6) and Karley (2013:33) a paradigm is a cluster of beliefs. It leads to asking certain questions and using appropriate approaches to systematic inquiry (known as methodology – that is, how should we study the world?) as adduced by Christie et al (2000:6).

In assessing these world views, the limitations of post positivism are the proximity (Crossan 2015:54) of the researcher to investigation. Considering constructivism in contrast to positivism it rejects the objective view of human knowledge. It is an alternative extreme end of positivism (Hirschheim 2010:11). Positivism (Karley (2013:20) was typically equated with quantitative research methods such as experiments and surveys and without any explicit philosophical commitments, while anti positivism employed qualitative methods (Bhattacharjee 2012:7) such as unstructured, structured and semi-structured interviews and participant observation. In constructivism meaning is constructed not discovered (Hirschheim (2010:11) with inductive logic and knowledge never value-free where the knower and the known are seen as inseparable Rocco *et al* (2003:21). According to Rocco *et al* (2003:21) argues that constructivism alone could not satisfy the needs of their study and so employed multiple views. Based on this constructivism alone could not be the basis of this study. Eventhough a qualitative approach was used in the first phase of the study; it became insufficient in measuring the impact of financial literacy on the consumers - as this needed quantitative approach thereby ordering the use of multiple approaches for investigation.

According to Creswell (2013:9) the world transformative world view arose during the 1980s and 1990s against post positivist castigated for imposing structural laws and theories which did not fit marginalized individuals in the society or issues of power and social justice, discrimination, and oppression. A transformative worldview holds that research inquiry needs to be

intertwined with politics (Mertens (2010:468) and a political change agenda (Mertens 2010:469, Creswell 2013:9) to confront social oppression at whatever levels it occurs. According to Newman (2014:121) and Shannon-Baker (2015: 357), this change is needed for lives of the participants, communities, the institutions in which individuals work or live, and the researcher's life. The transformative paradigm was not able to satisfy the needs of this study. The research did not seek to address the social and political issues of the marginalized individuals in the society or issues of power and social justice, discrimination, and oppression. Even though the study may highlight some marginalised groups targeted for financial literacy, it is not the fundamental purpose of the research for a political agenda.

The most suitable philosophical stance for this study is pragmatism which Creswell (2010:13) says is derived from the work of Peirce, James, Mead, and Dewey (Cherryholmes, 1992). Since the 1970s (Gray (2013:28) pragmatism has regained some of its popularity, largely because of the insights it has provided for research into management and providing an epistemological justification for mixing approaches and methods. Philosophically Johnson and Onwuegbuzie (2004:17), Combs and Onwuegbuzie (2010:2), attest that it is the "third wave" or third research movement which swings past the paradigm wars by offering a logical and practical alternative, with multiple views and concepts relevant to support action (Karley (2013:23, Shannon-Baker 2015:322). According to Johnson and Onwuegbuzie (2004:17) the logic of inquiry includes the use of induction (or discovery of patterns), deduction (testing of theories and hypotheses), and abduction (uncovering and relying on the best of a set of explanations for understanding one's results). Pragmatism holds that the most important determinant of the epistemology, ontology and axiology is the research question (Karley, 2013:23). As such pragmatism as a paradigm suited for mixed methods research and was therefore selected for this study.

Pragmatism asserts that concepts are only relevant where they support action (Karley 2013:32,) and practical consequences of findings from answering the research question: This study seeks to find practical ways of

enhancing financial literacy initiatives in Botswana. According to Creswell (2010:13) pragmatism is not committed to any one system of philosophy and reality thereby giving the individual researcher an opportunity to possess freedom of choice. The "Freedom" (Shannon-Baker 2015:322) to choose the methods, techniques, and procedures of research which best meet their needs and purposes. It is therefore an attractive philosophical partner (Johnson and Onwuegbuzie 2004:164) for mixed methods research which allows freedom to integrate methods for optimal results. The mixing being a desired integration (Creswell and Plano Clark 2007: 5, Bazeley 2010: 432) combining elements of qualitative and quantitative research approaches for the purposes of breadth and depth of understanding. Therefore as pragmatism is practical so is the multi-method approach for this study.

4.3 The Research Approach

The Researcher has adopted a multi-step approach to the study, the reason being to accord the study the utility of various methods to answer the research question. A quantitative approach alone would not assist in exploring the phenomena and so was the qualitative approach which would not singularly answer the questions on the impact of financial education. Considering the philosophical stance of pragmatism explained above Shannon-Baker (2016:325) says "pragmatism offers several ways to bridge dichotomies that exist in mixed methods approaches to social science" The two opposites of qualitative and quantitative approaches are brought together in this study. According to Creswell and Plano Clark (2007:5) and Bazeley (2010: 432) such an approach is meant to allow integration for purposes of depth which cannot be obtained by a single approach. According to Bazeley 2010: 432) the combination or corroboration can be obtained by 1. Merging: or 2.Connecting or 3. Embedding sets of data. These indicate the point of mixture depending on the purpose and reasons for mixing: it could be data, methods, to find breath or to validate information.

According to Palinkas *et al* (2010:48) Mixed Method Research (MMR) is used for different purposes Greene, Caracelli and Graham (1989:255-256, Onwuegbuzie and Combs (2011:4) identify that it could be for initiation

purpose which is intended to find contradictions, and perspectives, triangulation is used for the purposes of convergence and corroboration while expansion purpose is meant to extend the breadth of study. According to Onwuegbuzie and Combs (2011:4) the development purpose is meant for one method to inform the other and Complementary Purpose for elaboration and enhancement. In this study the multiple-step is used for the purpose of instrument development.

4.4 The Research Designs

According to several authors (Sekaran 2003:56, Bhattacharjee (2012:35) Talab (2008:20) a research design is a plan or blue print that creates the foundation of the entire research work. As pointed out by Rajasekar, Philominathan and Chinnathambi: (2013:22): “essentially, the research design creates the foundation of the entire research work”. The following research designs (qualitative, quantitative and the mixed methods design) are discussed and justified on whether they are suitable or not for this study. This is because Rajasekar Philominathan and Chinathambi (2013:9) write that the researches can be quantitative or qualitative or even both. The table below adapted from Creswell (2014:42) illustrates the alternative designs.

Table 4 1: The Alternative designs

Tend to or Typically ...	Qualitative Approaches	Quantitative Approaches	Mixed Methods Approaches
<ul style="list-style-type: none"> Use these philosophical assumptions Employ these strategies of inquiry 	<ul style="list-style-type: none"> Constructivist/ transformative knowledge claims Phenomenology, grounded theory, ethnography, case study, and narrative 	<ul style="list-style-type: none"> Postpositivist knowledge claims Surveys and experiments 	<ul style="list-style-type: none"> Pragmatic knowledge claims Sequential, concurrent, and transformative
<ul style="list-style-type: none"> Employ these methods 	<ul style="list-style-type: none"> Open-ended questions, emerging approaches, text or image data 	<ul style="list-style-type: none"> Closed-ended questions, predetermined approaches, numeric data 	<ul style="list-style-type: none"> Both open- and closed-ended questions, both emerging and predetermined approaches, and both quantitative and qualitative data and analysis
<ul style="list-style-type: none"> Use these practices of research as the researcher 	<ul style="list-style-type: none"> Positions him- or herself Collects participant meanings Focuses on a single concept or phenomenon Brings personal values into the study Studies the context or setting of participants Validates the accuracy of findings Makes interpretations of the data Creates an agenda for change or reform Collaborates with the participants 	<ul style="list-style-type: none"> Tests or verifies theories or explanations Identifies variables to study Relates variables in questions or hypotheses Uses standards of validity and reliability Observes and measures information numerically Uses unbiased approaches Employs statistical procedures 	<ul style="list-style-type: none"> Collects both quantitative and qualitative data Develops a rationale for mixing Integrates the data at different stages of inquiry Presents visual pictures of the procedures in the study Employs the practices of both qualitative and quantitative research

Source: Creswell (2014:42)

4.4.1 The Qualitative Design

In quantitative research, Eysenck (2004:2) mentions that: “the information obtained from the participants is expressed in numerical form. Studies in which there is a record the number of items recalled, reaction times, or the number of aggressive acts are all examples of quantitative research” Adding on to the concept of measurement Mamia (2006:10) says: “that not only experiments can be quantitative but the idea that social phenomena can be quantified measured and expressed numerically. The information about a social phenomenon is expressed in numeric terms that can be analysed by statistical methods. The observations can be directly numeric information or can be classified into numeric variables.” Mamia (2006:10) continues to contribute and write that observations are transformed into a data matrix in which each observation unit (e.g. individual) occupies one row and each variable one column. The data matrix is the starting point for the analysis. Relating quantitative research to evaluation is used in experimental and quasi experimental research where there are control groups. According to Harwell (2011:149), “quantitative research methods attempt to maximize objectivity, replicability, and generalisability of findings, and are typically interested in prediction.”

4.4.2 The Qualitative Design

According to Orb, Eisenhauer and Wynaden (2000:93) qualitative researchers focus their research on exploring, examining, and describing people and their natural environments. Embedded in qualitative research are the concepts of relationships and power between researchers and participants. Eysenck (2004:29) also writes that qualitative research is concerned with the experiences of the participants, and with the meanings they attach to themselves and their lives. Investigators using interviews, case studies, or observations often (but not always) make use of qualitative data. The methods of qualitative design researchers to choose from among five possibilities (Creswell (2010:21): including narrative, phenomenology, ethnography, case study, and grounded theory. Qualitative methods are usually understood to include: qualitative interviews (Mayoux (2002:3) which

can range from unstructured, structured to semi-structured, questionnaires to open-ended ad hoc conversations, direct observation including participant and non-participant observation, ethnographic diaries, and more recently photography and video and case studies combining different methods to compile a holistic understanding of e.g. individuals, households, communities, markets or institutions. Philosophically, a qualitative design is more inclined to constructivism (Rocco et al 2003:21, Teherani et al (2015:669). It is usually suitable for evaluation (Vanclay 2012:32 and Yoong (2013: 64) or acritical assessment of programmes.

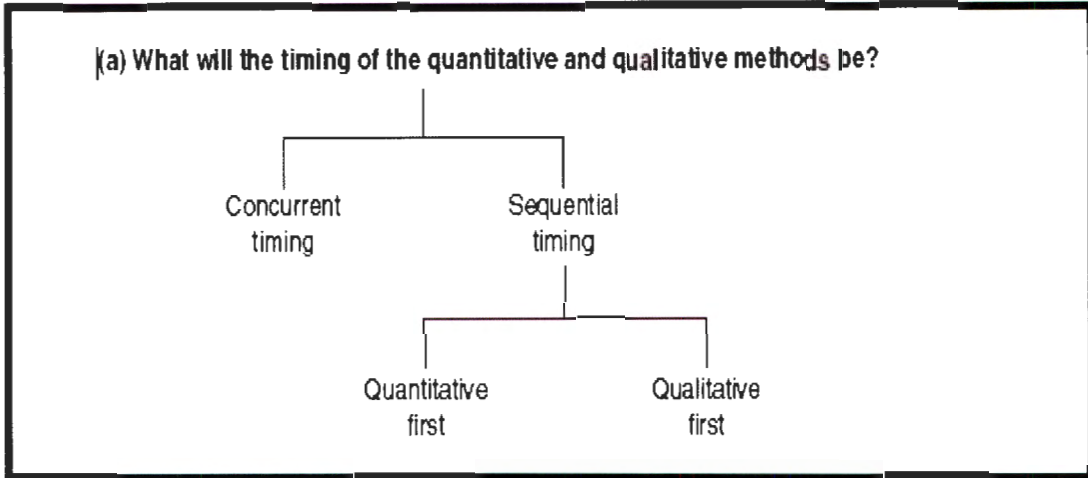
4.4.3 The Mixed Methods Design

Compared to people who use single approaches above Onwuegbuzie and Leech (2004:771) state that: “mixed methods researchers are more able to utilize quantitative research to inform the qualitative portion of research studies, and vice versa. Creswell & Plano Clark (2007) identifies these types of mixed method research as: 1. Explanatory Design: Follow up explanation and participation section model 2. Embedded Descriptive Design: Experimental model and correlational model 3. Triangulation Design: Convergence Model, Data transformation model, validating qualitative Model and the Multilevel Model, 4. Exploratory Design: Instrument development model and taxonomy development model

As part of choosing a design, decisions need to be made about the use of concurrent or sequential methods, whether the methods combined will have equal or unequal weighting, and how the two methods will be mixed (Creswell (2006:80). The guiding aspects are a) timing (when to use qualitative or quantitative will there be used concurrently or they will follow each other.), b) weighting (will the emphases be equal on qualitative and quantitative or one of these will have more emphasis over the other), and how the c) mixing will be done for data analysis – merging, embedding or connecting by Palinkas et al (2010: 48). The weighting usually determines the dominant philosophical stance Onwuegbuzie and Combs (2011:4) if for instance the quantitative analysis component is given significantly higher priority, then the analysis essentially is a quantitative-dominant mixed

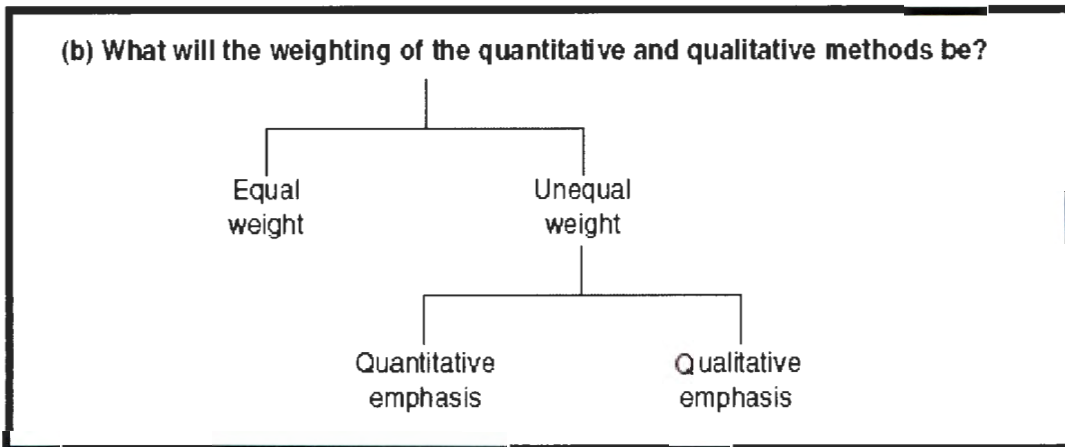
analysis, wherein the analyst adopts a post positivist stance. The following are decision trees for timing, weighting and mixing.

Figure 4-1: Decision tree for timing



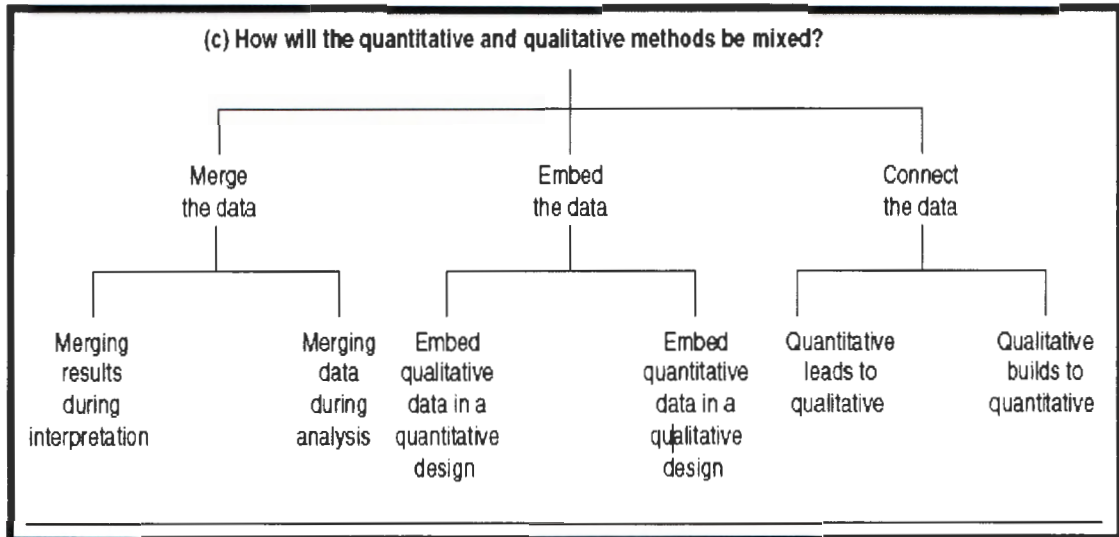
Source: Creswell (2006:80)

Figure 4-2 Decision tree for weighting



Source: Creswell (2006:80)

Figure 4-3: Decision tree for mixing



Source: Creswell (2006:80)

An explanatory design is a two-phase mixed methods design (Creswell (2006:71). It is sequential as qualitative data helps explain or build upon initial quantitative results. It provides causal explanations of phenomena (Terre Blanche, Durrheim and Painter, 2006:44). An embedded design is used where one data set provides a supportive, secondary role (Creswell 2006:75) in a study based primarily on the other data type as a single data would be deemed as insufficient. It has not been utilised because its purpose does not suit this study. The design is particularly useful when a researcher needs to embed (Creswell, 2006:67) a qualitative component within a quantitative design, as in the case of an experimental or correlational design.

According to authors such as Greene, Caracelli and Graham (1989:258) and Gray (2013:37) triangulation is mainly used to validate other methods in which there is use of a combination of methods to gather and analyse data about the same phenomenon in order to seek convergence and corroboration. Crump and Logan, (2008:24) writes that, it is done consistently to eliminate the inherent biases from using only one method. Such methods should be implemented simultaneously and independently to provide triangulation (Creswell 2006:64). This model is not suitable for this study

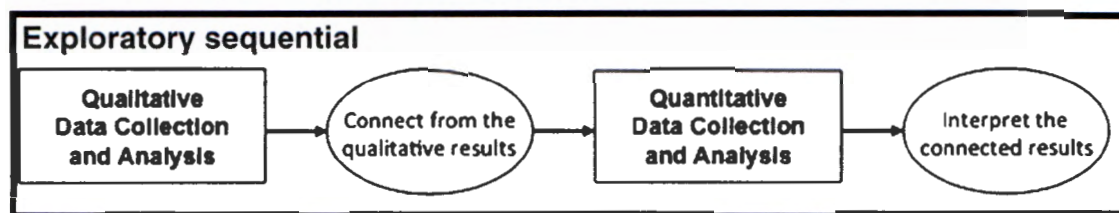
because this study did not seek to validate results of separate collection for qualitative and quantitative data.

4.4.3.1 The Selected Design: Exploratory Sequential Design

The Mixed Method Research design for this study is the Exploratory Sequential Design. According to (Creswell 2006:75) an exploratory sequential design is a two-phase type of design which allows the results of the first method (qualitative) to inform the second method (quantitative). An exploration (Gray (2013:35) is needed for one of several reasons: Measures or instruments are not available, the variables are unknown, or there is no guiding framework or theory. This is the main reason why it was selected for this study as the phenomena of financial literacy in Botswana is lacking in literature, measures, instruments and tools for evaluation hence variables are unknown. It is particularly useful when not enough is known about a phenomenon (Rajasekar Philominathan and Chinathambi (2013:10) so as to get more information on a topic (Zikmund, 2003:111) to obtain new ideas.

There are two variants of the design which are the instrument development model and the taxonomy development model (Creswell 2006:75) each beginning with an initial qualitative phase and ending with a quantitative phase. The design is suitable for evaluation studies Van Wyk (2012:9). This is another justification for the selection of this design as the study seeks to evaluate the financial literacy initiatives. It is suitable for this study because the results of a qualitative study which had few participants (institution which offer financial education and have financial literacy initiatives) to develop an instrument development which to measure the impact of financial education. This is because (Creswell 2006:77) writes that in this design, the researcher first qualitatively explores the research topic with a few participants. Then the qualitative findings guide the development of items and scales for a quantitative survey instrument (Creswell 2006:77). In the second data collection phase, the researcher implements and validates this instrument quantitatively.

Figure 4-4: Exploratory Sequential Design



Source Creswell (2006:76)

According to Meissne et al (2011:6) qualitative exploration may usefully occur prior to development of an adequate instrument for measurement. This is also because the purpose of an exploratory study as Project STAR (2006:4) whose views it is to gain familiarity, increase understanding, and to help to formulate better program services, evaluation questions and approaches. Xiao et al (2004:9) in their study first used expert interviews and consumer telephone interviews, so that items could be generated for the constructs of The Trans Theoretical Model. They used exploratory research at the initial stage being part of their mixed method approach. Other researchers with a similar approach of an exploratory sequential design before construction of a measurement instrument for the actual constructs or variable are Kempson Petrotti and Scott (2013:17) and Atkinson et al (2006:1) who utilise the multistep process where the qualitative approach was used to arrive at the quantitative survey. In this study the following is the research design, the blueprint of the study:

Design: Exploratory Sequential Design

Variant: Instrument Development Model

Timing: Sequential – Qualitative result feeding the quantitative development of a questionnaire

Weight: Equal weighting

Mixing – Quantitative connecting from qualitative

4.5 The Research Methods

As outlined by Saunders et al. (2007: 136-143) the various methods of research that are available for mixed methods design are: surveys, case

studies, grounded theory, experiment action research, ethnography. Some are used particularly in qualitative or in quantitative design. The method for this research for qualitative was interview while administering of a questionnaire was used to collect data for quantitative study. These are expanded fully under the section for data collection techniques.

4.6 The population

The scope of research determines the population and the geographical boundaries of research. This study was carried in Botswana and the population is the providers of the financial literacy initiatives which are the institutions and the individuals that received the education. The recipients of the education offered were the population targeted for investigation since they displayed certain traits attributable to the financial education programme.

4.6.1 The population of Institutions

There were initially 25 organisations which were identified as offering financial literacy initiatives and were invited as the constituents of the population for this study. However, only 21 institutions accepted the invitation which made the response rate 84%. These institutions comprised public but mostly private institutions as they have been identified as in the fore front of offering financial education in Botswana. These institutions are banks, financial but non-banking institutions, public institutions, and insurance institutions. There is not much literature or research on financial literacy initiatives offered. Monticone and Messy (2011:35) conducted case studies on countries financial literacy in developing countries, Botswana being one of them and this is what they recorded: "In Botswana, all initiatives found involve the private sector to some extent. Barclays Bank of Botswana launched a financial literacy campaign in 2010 consisting in training sessions for various low income groups (Barclays Bank of Botswana, 2010). Moreover, Stanbic bank is collaborating with the Ministry of Education and the Botswana National Library Services to introduce financial literacy booklets, based on Stanbic Bank material, in secondary school curriculum". Even

though this study used countries instead of institutions it gives an idea on financial literacy in Botswana and the institutions that are commonly involved. It should be noted as pointed out by Monticone and Messy (2011:43) that Botswana is among countries featuring some limited initiatives on financial education. There are some researches, although not quite similar which were not certain of the population but they utilised mixed methods design and this is how they found out information on the initiatives:

Table 4 2: Similar Studies

The Study	The Strategy used	Utility for this study
Monticone and Messy (2011:43) The study on African countries: Botswana amongst them.	Sending out a survey to the countries asking information from the relevant government authority. Initially they were not sure which countries had the initiatives to be studied	Although the countries are the target population unlike Botswana, the questions and the questionnaire may be altered and used to find information on the institutions below.
Cohen <i>et al</i> (2011:7) conducted a research on case studies in different countries around the world but mostly those in Sub Sahara Africa	<ul style="list-style-type: none"> - Used desk research: written documents such as programme reports, training manuals, monitoring reports, and impact assessments. - research was conducted through in-depth questionnaires or interviews with senior or programme management in each organisation before - They however do not mention a problem with identifying the 12 case studies but that the problem was minimal information on impact. 	Although their population scope is broader this study they first categorised the institutions and did the desk top research and interviews. The researcher intends to adopt this and use managers from the organisations to give information.

Source: Messy and Monticone (2012:41) Cohen et al (2011:7)

4.6.1.1 Banking Institutions

Even though there is no reflection of financial literacy efforts in their annual reports or the media other banks the following became possible cases for the research: Bank ABC Botswana, Botswana Savings Bank, Bank Gaborone Botswana, Standard Chartered Bank Botswana, Bank of Baroda Botswana, Bank of India Botswana, STANLIB Investment Management Services (for Stanbic private banking). The last three declined the offer to participate in the research.

4.6.1.2 Libraries

Table 4 3: Libraries

Institution	Purpose	Target Group	Content	Approach
The Botswana National Library Service – A collaboration with Stanbic Bank Botswana (Messy and Monticone 2012:41)	To provide basic training in financial management as part of the school curriculum	Secondary school students	Based on Stanbic Bank material and saving products for children	Financial literacy booklets

Source (Messy and Monticone 2012:41)

The British Council was also considered under this category because its concern for readership and development, and wellbeing of societies. The two libraries did not accept the invitation with the reasons that they no-longer had the programme.

4.6.1.3 Non-Banking Institutions

The reasons for inclusion were that it was assumed that financial education was part of their mandate: Botswana Unified Revenue Services (BURS)- educating the public on tax and tax returns, Botswana Stock Exchange (BSE)- educating the public on stock and money market, Non-Bank Financial Institutions Regulatory Authority (NBFIRA)- educating the public on investment, The Botswana Post Office – educate the elderly on using their banking pension cards , Botswana Public Officers Pension Fund- educate the public officers on their transfer values from old pension to the new fund when the organisation started. Botswana Unified Revenue Services, Botswana (BURS) Stock Exchange (BSE), Non-Bank Financial Institutions Regulatory Authority (NBFIRA) accepted the invitation for interview but the Botswana Post Office and Botswana Public Officers Pension Fund rejected the invitation without giving reasons or documentation

4.6.1.4 Insurance Companies

The insurance companies always have campaigns selling endowments and pension fund products; the most popular one is the Botswana Insurance Holdings Limited “Khumo 2016” product. The following were the possible institutions for the exploratory study: Metropolitan Botswana, Botswana Insurance Company, Botswana Insurance Holdings Limited, Old Mutual Short Term Insurance, AON Botswana and Hollard Botswana. Only Metropolitan Botswana, Old Mutual Short Term Insurance, and Botswana Insurance Holdings Limited, accepted to be part of the research.

4.6.1.5 Universities and Schools

The University of Botswana, Botho University, and Botswana Accountancy College were possible tertiary institutions for the study: the reasons for inclusion are that their students are known for being the target for financial literacy initiatives from commercial Banks. The Botswana Institute of Bankers (BIOB) trains bank employees and these are possible trainers for the public on personal finance. None of these accepted the invitation for interviews on their initiatives, but Botho University and Botswana Accountancy College accepted the invitation for their students to be used for administering the questionnaire.

4.6.2 The population of Individual Respondents

There are 400 respondents identified for the questionnaire clustered in different target groups. Since the study was based in Botswana sampling of 400 was drawn from the population of Botswana which is 2.292 million. According to Leedy and Omrod (2014: 222) the formula to draw a sample for a large population is $(N=5000)$ equals to 400 which is adequate for saturation point to produce valid results. The study targeted groups which were identified from the exploratory research on the institutions From the literature review also programmes offered by the different institution have the following target groups: Stanbic Bank Botswana targeted Students in Secondary Schools, Letshego Financial Services Botswana targeted the working class in Botswana, Barclays Bank of Botswana University Students while Bank of

Botswana focused on the Public. Before the qualitative research this gave a rough idea about the age, the attributes and the type of people identified as target groups for financial education. Besides this the literature review also reflects that most of the target audiences are children in schools, the youth, employees and the marginalised groups: (1) Lyons and Scherpf (2003:4) the Money Smart program with the target group being welfare-to-work participants, Spanish-speaking immigrants, Chinese immigrants, public housing residents in Chicago, and community college students. (2) Mandell and Klein (2009:1) conducted a study with the target audience being school going children. (3) Robson (2012:1) assessed the effects of financial literacy interventions for low income and vulnerable groups in Canada. Theme 2: Thematic Financial Education for Stability & Sustainability latently assisted in identifying the target groups for quantitative data collection: It was realised that financial literacy initiatives in Botswana usually target: Members of the public (inclusive of all segments except employees), 2. young people (inclusive of children, teens, students, 3. small businesses, 4. employees (all types as casual labourers, professionals, temporary workers, permanent and pensionable, contract etc.). Additional information with more comprehensive characteristics was obtained from Theme 4 Inclusive Financial Education - Reaching out to different people:

1. Financial Education initiatives target all types of income earners
2. Financial Education initiatives target young people in and out of school
3. Financial Education initiatives target different age groups
4. Financial Education initiative target people of different educational background
5. Financial Education initiatives targets all kinds of gender
6. Financial Education is customised for Affinity groups
7. Financial Education targets employees in different settings

The respondents were obtained from the following groups.

a) **Junior Schools:** - Tlokweng Junior Secondary School, Bobonong Junior Secondary School

b) **Senior Secondary Schools:** - Lobatse Secondary School and Lotsane secondary School

c) **Tertiary Schools:** Bobonong Brigades Centre (BBC), Botswana Accountancy College (BAC) and Botho University, Gaborone Technical College (GTC)

d) **Employees:** GTC, BBC, GTC, GSS, National Development Bank (NDB)

e) **Business and the Public:** obtained from businesses mentored and trained by LEA while members of the Public were provided by First Issues

4.7 The Sampling Techniques

Sampling in research is used because some population is large and cannot all be covered as it may be expensive and time consuming. Instead a representation of this population is used and conclusions are made from the research analysis. According to Sekaran (2000:56) a sample is as subset of a population. Therefore Kitambara (2008:3) explains that sampling refers to drawing a sample or selecting a subset of elements from a population. According to Ryan, Scaperns and Theobald (2002:137) in selecting a sample researcher must ensure that the selection criterion is adequate given the objectives of the research being conducted. The selection should not 'force' in whatever sense the results thereby reduce the validity of the study. Dunn (2010: 205) outlines that there are two general categories of sampling within research and these are probability sampling and non-probability sampling.

4.7.1 Sampling for Institutions

This research used purposive or non-probability sampling (Mamia (2006:35) for the institutions. In the initial phase of research all the institutions will be targeted to do the investigation on the programmes offered. Since the exploration will be qualitative, purposive sampling will be appropriate. This type of sampling as Patton and Cochran (2002:11) is usually qualitative "qualitative research is usually purposive. This means participants are selected because they are likely to generate useful data for the project. The institutions were selected because the preliminary investigations and

literature indicated them as providers of financial education. The researcher therefore utilised critical case sampling. Case studies from the literature review reveal a focus on the programmes that targeted youth, marginalised groups, employees, immigrants, adults. Since the institutions also differ in type and ownership (public and private) and some are banking or non-banking, this draws more to critical case sampling. According to Onwuegbuzie and Collins (2007:287) critical case sampling choosing settings, groups, and/or individuals based on specific characteristic(s) because their inclusion provides the researcher with compelling insight about a phenomenon of interest. It was critical to have a representation of the different sectors so that the views were representative of all sectors involved in financial education or have financial literacy initiative: They contributed in providing the target groups for phase 2 of the research – quantitative analysis for the administration of the questionnaire.

4.7.2 Sampling for Individual Respondents

As the institutions reduced from 25 to 21 and initially the sampling size was a determined using recommendation by Onwuegbuzie and Collins (2007:287). The initial sampling size was between 3-5 respondents from each of the institutions making it a total population of 63 minimum and 105 maximum adopting a quantitative questionnaire in a survey method. However after the outcome of the exploratory research it was realised that 105 respondents would not have reached the saturation point for Botswana population to make expected representation for research generalisation. This became typical of pragmatic assumptions of doing what works to make the research more plausible. As it is a quantitative research the study used probability sampling. Since the population of Botswana is greater than (N=5000), a sample size of 400 is adequate Leedy and Omrod (2014: 222) with segmentation of the groups (Secondary School, Tertiary Schools, Employees, and Unions)

4.8 Data Collection Instruments

In designing data collection techniques the questions of reliability and validity of instruments and measuring tools should be important considerations for

researchers in their investigations therefore in this study too these are deemed as pertinent. Thanasegaran (2009:40) write that: “the goal of achieving measurement validity and reliability can be accomplished partly by a push for quality item writing, an insistence on reporting reliability data across studies, sound theoretical bases for construct measurement and the accurate operationalisation of constructs.” In this study too reliability and validity shall be considered. The instruments which were used for this study are that of questionnaire and an interview guide with semi-structured interview questions.

4.8.1 The Interview Guide

The interview questions planned for the exploratory research has been guided by questions from other studies or articles giving advice on evaluation research. In the literature review for instance Atkinson (2010:8) gives generic questions to ask on implementation evaluation: To what extent has the program been implemented as planned? What are the main challenges encountered in implementing the program? Another research that has become instrumental in influencing the design of these questions is Monticone and Messy (2011:43).Cohen et al (2011:7) conducted a research on case studies around the world and used the following questions which were also a guide to the interview questions for this study.

1. What is the scale in financial education programmes?
2. What factors facilitate scale?
3. What are the costs involved in financial education?
4. How do financial education initiatives define sustainability?
5. Which solutions help sustain financial education?
6. Enhanced impact: what improves financial education uptake and use?

The questions in the instrument have been arranged in sections in the following manner:

4.8.1.1 Section 1: Information on the Institution

This information is needed to identify the institution and the type of business they are engaged in. This indicates the different types of institutions which have financial literacy initiatives. The designation is important because it gives the idea of who in these organisations is responsible for financial literacy initiatives. The idea of the information on institution is adopted from Monticone and Messy (2011:43) asking information on the countries when they performed their exploratory study, and hence they were adapted to suit this study. The question on the department will also reflect the place and purpose of the programme in the institution as Monticone and Messy (2011:44) reflect in their questions that the purpose could be consumer protection, marketing or financial inclusion.

4.8.1.2 Section 2: Information on the Programme

The name of the programme is vital to identify it as most researches identify the programmes and refer to them to specifically indicate which programmes were effective or not (Monticone and Messy 2011:43). On the issues of accreditation the Researcher is using the current trends that the newly established Botswana Qualifications Authority (BQA) insists on any training delivered to be accredited. Any form of training even if it is of short duration must satisfy the (BQA) regulations for Education Provider The function assists on knowing where the institution has focused on as most Banks utilise the initiatives for market reach.

4.8.1.3 Section 3: The Target Group(s)

The questions focus on the recruitment and how the institution identified the group. This information is needed on the second phase of the study so that the researcher may know the individual participants for impact evaluation (Monticone and Messy 2011:43, Cohen et al 2011:7) This will be in an endeavour to satisfy the research questions: a) How have the financial literacy initiatives been beneficial to the consumers or the targeted groups for the initiatives?

4.8.1.4 Section 4: The Content of the Programme

The content of the programme assists the researcher to identify the constructs or the variables of interest (Frenette and Robson 2011:2) that will be used for the quantitative research. It is through knowing this that the study may be able to know what to measure from the participants. (Frenette and Robson (2011:2) called the exercise and environmental scanning of financial literacy initiatives to know the categories and variables of interest to measure. This information will ultimately assist in answering the research questions: a) what is the content and the approaches selected for the initiatives? b) How have the financial literacy initiatives been beneficial to the consumers or the targeted groups for the initiatives?

4.8.1.5 Section 5: The Methods of Delivery

According to Frenette and Robson (2011:2), exploring the delivery methods are also part of the aspects to consider in search of the variables of interests. It is important to know the effective methods or the ones that were not so effective in the implementation of the programmes. This aspect will feed in the questions: a) what is the content and the approaches selected for the initiatives? b) How have the financial literacy initiatives been beneficial to the consumers or the targeted groups for the initiatives?

4.8.1.6 Section 6: Measurement and Evaluation Framework

Since the research is on measurement and evaluation the institutions may be using a framework that could be of assistance in designing a framework for Botswana setting. The questions on evaluation used by Cohen et al (2011:7), Atkinson (2010:8) and Jacob (2002:5) have assisted designing the questions for this part and they also played a role in designing the evaluation framework for Botswana. The information was therefore used to satisfy the research question: What is the financial literacy evaluation framework suitable for Botswana?

4.8.1.7 Section 7: The Benefits Vs Costs to the Institution

This information is crucial as it gives the researcher why the programmes may still be implemented as resources and returns are Cohen et al (2011:7). This was important to prepare for the question on: How have the financial literacy initiatives been beneficial to the consumers or the targeted groups for the initiatives? It is because this question strives to arrive at indicators on whether or not the programme was able to achieve what it was intended for.

4.8.1.8 Section 8: The Challenges and Solutions

Challenges are an indication of areas to improve on and it is pertinent to know how these were dealt with. This information is still on evaluation so that the institutions may reflect on and share the challenges that are in the implementation of financial literacy initiatives. These are some of the questions that Jacob (2002:5) says one should consider in evaluation of a financial literacy programme or workshop.

4.8.1.9 Section 9: The Future of Financial Education in Botswana Section

These questions give the interviewee to advice on policy and improvement of financial literacy for the whole country. Cohen et al (2011:7) asked questions on policy that prompted the informants to give advice on policy and curriculum for financial literacy initiatives. Monticone and Messy (2011:44) also asked question on policy and curriculum inclusion in schools and the involvement of stakeholders. These are relevant for this research as there shall be recommendations on what the institutions, the practitioners, the government may do for financial education in Botswana.

4.8.1.10 Section10: Overall Opinion

This question gives the interviewee a chance to give any dimension that the research may have omitted. It is an open ended question to let the interviewee give suggestions for the improvement of financial education. Even though Rowley, Lown and Piercy (2012:61) asked focused group

questions to the individual, they gave an idea to the researcher on the structuring of opinion questions on financial literacy evaluation.

4.8.2 The Questionnaire

The constructs and variables of interest (Frenette and Robson 2011:2) for this questionnaire became more pronounced after the exploratory phase 1 of this study. Besides the Qualitative Data Analysis some of the questions were borrowed from other researches (Peng et al 2007:283 on investment tests, The World Bank 2013:169 on construction of questionnaires, Lyons and Scherpf 2003:4, Jacob 2002:5) on general knowledge on financial literacy. According to The World Bank (2013:161) the questions were adopted for use in the United States but they may be modified to the context setting of the research and be tailored to suit it. The World Bank (2013:146-147) advises on the aspects to be measured: Actions, Knowledge, and Attitudes and that the key feature of this approach (The World Bank (2013:160) is that similar to the psychometric literature for measuring intelligence or personality traits (Spearman 1904) it assumes that financial capability like other types of abilities cannot be measured directly but it is possible to identify manifestations of this capability through behaviors attitudes, skills and knowledge. Therefore questionnaire to measure the impact financial literacy on the individuals was constructed as thus: section 1 biographic data, section 2 Self-assessment questions, section 3 type of investor, section 4 performance test and section 5 questions on future plans for financial literacy.

4.8.2.1 Section 1: Biographic Data

The purpose of obtaining this information is to get the characteristics of the individuals and it may also help in coding them during data analysis similar to the **OECD/INFE (2011)** questionnaire. This also contributes to the question on the target audience of financial literacy initiatives; to know who really benefits from the programmes and why.

4.8.2.2 Section 2: Self-Assessment Questions

These are the knowledge questions: The questions were adopted from The World Bank (2013:146-147) guide. This information is pertinent to answering the research questions: How have the financial literacy initiatives been beneficial to the consumers or the targeted groups for the initiatives? The measurement will reflect if the knowledge be intended to be learnt is able to be depicted from the individual. Some Questions on a Likert scale test general knowledge like those presented by Jacob (2002:14) and these are helpful in capturing the level of understanding of the recipient of the education.

4.8.2.2.1 Skills Questions

Financial literacy is equated to being able to do basic mathematical and numeracy skills as Thomson (2012:11), says that these skills include such generic cognitive processes as accessing information, comparing and contrasting, extrapolating and evaluating, applied in a financial context. They include basic skills in mathematical literacy, such as the ability to calculate a percentage or to convert from one currency to another, and language skills, such as the capacity to read and interpret advertising and contractual texts. Some of these questions for this study are derived from Hung, Parker, Yoong (2009:19) as he used Pearson correlations to measure basic skills, investing skills and Life insurance skills. He also analysed different authors that have measured financial literacy and their questions shall also be of a contributory factor in designing this questionnaire. This information is useful in answering the research question: How have the financial literacy initiatives been beneficial to the consumers or the targeted groups for the initiative. In this case to know if they are able to utilise the skills learnt.

4.8.2.2.2 Attitudes and behaviors questions

Questions on a Likert scale from Jacob (2002:11) are useful and correlate to the analysis obtained from the literature review (Holzmann 2010:4) that a person should be able to be engaged in: 1. keeping track 2.making ends meet 3.Planning ahead, 4. choosing products, and 5. staying informed.

These questions assisted in measuring the impact that the content learnt to find out if it has been able to institute change in the individuals that were targeted. The information was meant to answer the research question: How have the financial literacy initiatives been beneficial to the consumers or the targeted groups for the initiatives? Other questions are derived from motivation Thomson (2012:64) and confidence Arellano Camara and Tuesta (2014:15) as Thomson (2012:14) writes that: “financial literacy involves not only the knowledge, understanding and skills to deal with financial issues, but also non-cognitive attributes: the motivation to seek information and advice in order to engage in financial activities, the confidence to do so, and the ability to manage emotional and psychological factors that influence financial decision making.

4.8.2.3 Section 3 Type of Investor

These questions determine the type of investor that the individual could. Some institutions offer financial literacy with investment content based objective. It also tested their risk appetite from safety objectives to high risk. The allocation of funds indicated their portfolio management concerning their investment.

4.8.2.4 Section 4 Performance test

The test has questions and test items were generated by the Researcher consolidating information (variables) from the QDA results and questions from the authors mentioned above. They range from calculating simple interest to questions on concepts of co- signing. Some are: True and False questions especially on credit card usage and other forms of debt. There are also questions on investment, shares and portfolio management (risky combinations)

4.8.2.5 Section 5 Future Plans for Financial Literacy

This is section where some of the questions are open ended to understand the views of the respondents. The section contains questions on delivery

methods and opinion questions on evaluation of financial education programme.

4.8.2.5.1 Delivery Methods Questions

The participants contributed to the evaluation of the methods so that they say preferences on how they would like to receive financial education. This does not measure the impact but may be useful in understanding from their perspective the effective methods of delivery.

4.8.2.5.2 Opinion Questions

The opinions of the individuals on policy and curriculum development, was important as their perspectives shed light on future developments. This assisted in formulating measurement and evaluation framework and also advice policy makers with well-informed recommendations from the participants as well.

4.9 Validity and Reliability

The testing aspect of the design and the collection instruments dictates for the discussion of the concepts of validity and reliability. According to Thanasegaran (2009:37) validity has been defined by “the extent to which a test measures what it claims to measure.” In this study validity in the question items was ensured by deriving them from the objectives of the study. For instance to deal with construct validity Baskarada (2014:9) says that a researcher may use multiple sources of evidence like having key informants review the case study report, and maintaining a chain of evidence. Since this study is a mixed method design ways of validity recommended by Onwuegbuzie and Johnson (2006:57) were considered. **They argue that because mixed research involves combining complementary strengths and non-overlapping weaknesses of quantitative and qualitative research methods, assessing the validity of findings can be robust .** Validity refers to the extent to which a test measures exactly what needs to be measured while reliability is concerned with the accuracy and precision of a measurement procedure. Adding on to the definition of reliability Golafshani

(2003:2) says it is about consistency of the instrument when used again and yields the same results. This study used multiple sources of evidence for validity and reliability: pilot testing, factor analysis, expert analysis of instruments, consultative meetings.

4.9.1 Validity and Reliability for Interview Guide

To ensure reliability of the questionnaires and the interview questions the researcher conducted pilot testing of the instruments. Kasunic (2005:11) highlights that pilot testing alerts the researcher on questions which need restructuring or revision and in this way issues of reliability was addressed. In case of qualitative questions for evaluation the researcher borrowed some of the questions used by Atkinson (2010:11) when they conducted a study using stakeholders as subjects of research on evaluation of Money Matters Program. The questions have been tested and utilised for research. In addition for some of the questions the Cronbach's alpha reliability coefficient like in Louw J. Fouche J. Oberholzer M (2013:445) in this research to measure the reliability of the research instrument. Questions were allocated clusters depending on the research questions and the variables of interest advised by the exploratory research. In matter regarding Baskarada (2014:9) referencing (Yin, 2009) writes that there are two strategies for ensuring reliability of case studies include creation of the case study protocol, and development of a case study database The case study protocol contributes to the reliability by standardising the investigation. Relevant documents may include an overview of the project, field procedures, guiding questions, and a report outline. The researcher used guiding questions for a semi – structured interviews.

4.9.2 Validity and Reliability for the Questionnaire

Other than pilot testing and expert analysis of the instrument, the Researcher addressed validity and reliability for the questionnaire instrument by the use of factor analysis. This study utilised Exploratory Factor Analysis (EFA) for instrument (questionnaire) validity and reliability having conducted tests: the Cronbach's alpha reliability coefficient for internal consistency, Bartlett's test

of Sphericity and Kaiser-Meyer-Olkin test (KMO) for measurement of sampling adequacy. This was borrowed from Louw Fouche Oberholzer (2013:445) in their study. The reliability was also enhanced by the use of some items (adapted into the context of Botswana) from other studies like that of Arellano Camara and Tuesta (2014:15) and Thomson (2012:14) because they have been tested therefore valid and reliable. The design of the questions were also matched with research questions so that they could be consistent with what the study required.

4.9.3 Validity through Pilot Testing and Expert Report

To enhance the validity and reliability of the instruments which were used in this research the researcher conducted pilot studies. This is important because improvements on the test items and questions may be done, ensuring that instruments test what they intend to measure. In case studies Baskarada (2014:9) inform that pilot case studies may be used to refine the data collection plans with respect to both the content of the data and the procedures to be followed. Any pilot reports should reflect on the lessons identified and, as appropriate, provide avenues for the implementation of lessons into the next iteration. Therefore pilot studies address both issues of validity and reliability. Simon (2011:1) a pilot study may address a number of logistical issues. As part of the research strategy the following factors can be resolved prior to the main study:

1. Check that instructions are comprehensive
2. Check that investigators and technicians are sufficiently skilled in procedures
3. Check the wording of the survey
4. Check the reliability and validity of the results
5. Check the statistical and analytical processes to determine if they are efficacious

The following is a report is the Expert Analysis of the Questionnaire: The pilot testing report for this research is inclusive of the expert advice and that of the

testing of 10% of the potential respondents. The experts consulted were: 1. Financial Consultant, 2. Finance Student (MBA), 3. A professional in a bank (finance), 4. Accountant, 5. Lecturer: Financial accounting in a tertiary institution. The comments below provided ample input in order to enhance the strength of the data collection instruments:

4.9.3.1 General Comments on Layout and Structure

1. Cover page – correct the word “Academic” and make the questionnaire attractive
2. Layout
 - a) The boxes are too small and the questionnaire is crowded – some people may have difficulty in looking for the spaces to record the answers.
 - b) The sections are clear but recommended to remove section 2 as the qualitative results indicate that the researcher has found that most of the individuals receive financial education from multiple sources.
 - c) The section on evaluation may be excluded as the Researcher is looking for impact on the client rather than them evaluating any financial educational programme. Section Question, question 3 and 5 should be included in the self- assessment section to test confidence on topics and the delivery methods.
3. *Font size* – the letters are too small and may discourage respondents from reading.
4. *Length*- The questionnaire is too long – some questions that repeat for example those on the credit card usage may be cut off to reduce length. Shorten the length of some of the questions The Questions on “Type of Investor” may be part of the self – assessment. Reduce the number of questions on Performance – especially those that repeat on one concept.

4.9.3.2 Level of difficulty

Reduce level of language to suit students and Low Income Earners. Otherwise the questionnaire should be administered while the Research is present to explain instructions and some of the questions. - e.g. Question Scenario questions too have increased length and The in this question may

also be too level of comprehension may be too high for students and some population of employees in the industrial class/lower income earners category as their level education is usually low.

4.9.3.3 Questions on Personal Information

Include spaces for answers. This should be done for other questions where space for answers has not been provided. Delete questions which seem to be the same kind of information like 1.3 and 1.4.

4.9.3.4 Self-Assessment Questions

Increase the level of Knowledge on the Likert scale and be consistent with the number of options with the rest of the questions. Consider the wording of other Likert scales and ensure that the same wording is used.

4.10 Data Analysis

Induction and deduction are two ways in drawing conclusions to a research. According to Sekaran (2003:42) 'deduction is the process by which we arrive at a reasoned conclusion by logical generalization of a known fact, while induction on the other hand, is a process where we observe a phenomenon and on the basis arrive at a conclusion'. These two processes shall prevail in the analysis of data in this study. Brian van Wyk (2012:16) says that often, the lines between inductive and deductive processes are blurred in the research process (i.e. both occur); while the main thrust of the study might be inductive, the interaction between the conceptual and empirical aspects of the subject matter might well imply a deductive element inherent in the research. These processes were mainly used in the qualitative data analysis using the thematic approach.

4.10.1 Qualitative Data Analysis

An analysis of any data including one which emanates from qualitative sources has to be presented in a systematic framework. Attride-Stirling (2001:) concurs to say: if it is not known how people went about analysing

their data, or what assumptions informed their analysis, it is difficult to evaluate their research, and to compare and/or synthesise it with other studies on that topic, and it can impede other researchers carrying out related projects in the future. On the same point Sandelowski and Barroso (2003:227) also view it as a systematic process which may even be used for integrated analysis: qualitative data analysis is a form of systematic review or integration of qualitative research findings in a target domain that are themselves interpretive syntheses of data, including phenomenologies, ethnographies, grounded theories, and other integrated and coherent descriptions or explanations of phenomena, events, or cases.

4.10.1.1 The different Types of QDA,

There are multiple types of qualitative Data Analysis methods and multiple authors Sandelowski and Barroso (2003:227) Attride-Stirling (2001:224) Riessman (2008:4) this emanate from arguments that QDA is not necessarily a method of data analysis but viewed as a process – posing different stages depending on how the researcher went about the steps from coding to interpretation. Some like Ryan and Bernard (2000: 4) locate thematic coding as a process performed within major analytic traditions such as grounded theory, rather than a specific approach in its own right. One author Riessman (2008:3) writes to say: “QDA process involves narratives as telling, transcribing, and analysing providing four analytic approaches: thematic analysis, structural analysis, dialogic/performance analysis, and visual analysis.” This categorises QDA into four major types of analysis but Braun and Clarke (2006:4) write that Qualitative analytic methods can be roughly divided into two camps: Within the first, there are those tied to, or stemming from, a particular theoretical or epistemological position for or some of these - such as conversation analysis and interpretative phenomenological analysis. Second, there are methods that are essentially independent of theory and epistemology, and can be applied across a range of theoretical and epistemological approaches. Selecting a method therefore could be theoretically based or not. According to Leech and Onwuegbuzie (2008:590) another point selecting the type of qualitative data analysis also

depends on the source from where and how the information has been collected. This study has used 'Talk' from semi-structured interviews warranting 'Thematic Analysis.'

4.10.1.2 Thematic Analysis

Although they may be different categories Holloway and Todres (2003:347) view "thematising meanings" as one of a few shared generic skills across qualitative analysis. Thematic analysis therefore is a foundational method (Holloway & Todres 2003:348, Braun and Clarke (2006:4) for qualitative analysis. Researchers such as Attride-Stirling, 2001:324) are of the view that thematic analysis is widely used, but there is no clear agreement about what thematic analysis is and how you go about doing it. Attride-Stirling (2001: 325) write to caution that It can be seen as a very poorly „branded“ method, in that it does not appear to exist as a „named“ analysis in the same way that other methods do (e.g., narrative analysis, grounded theory). As much as there is still a debate about questioning its abilities as a method or a process, it is widely used and has great benefits.

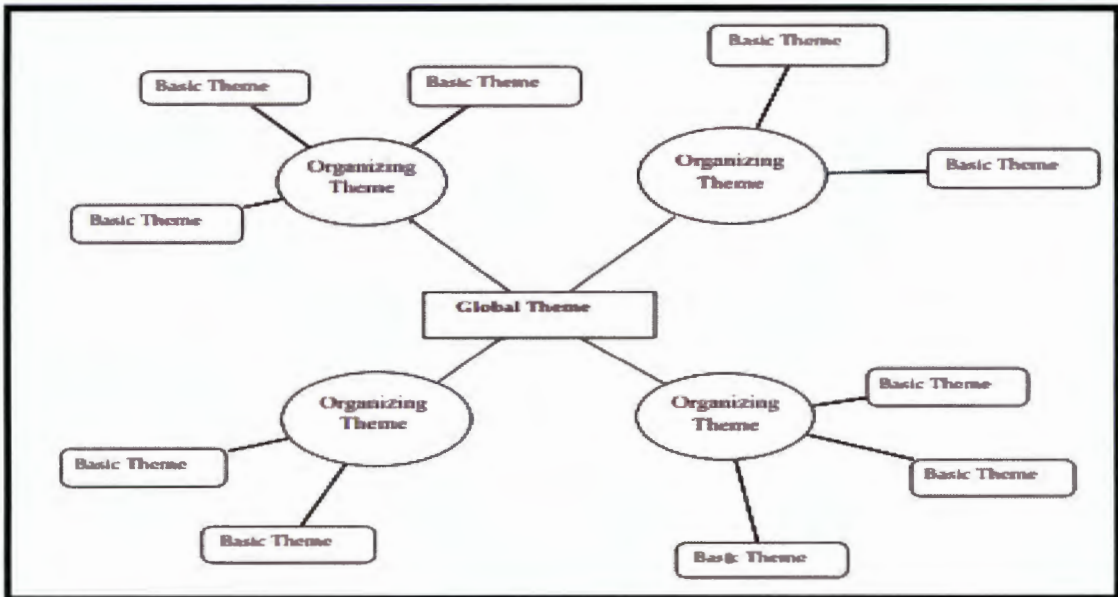
4.10.1.3 The Benefits of Thematic analysis

According to Braun and Clarke (2006:5) one of the benefits of thematic analysis is its flexibility with theoretical freedom, allowing detailed, yet complex account of data. The flexibility and the absence of guidelines and framework should not necessary allow "anything that comes by" during data analysis. Another advantage of thematic analysis as Braun and Clarke (2006:6) further writes, it minimally organises and describes data set in rich detail. It also often goes further than this, and interprets various aspects of the research topic. In addition to its flexibility it is viewed as a method which inherently allows rigour in a study: Attride-Stirling (2001:365): "The thematic networks technique is a robust and highly sensitive tool for the systematization and presentation of qualitative analysis."

4.10.1.4 Conducting Thematic Analysis

In outlining how a thematic analysis is conducted Attride-Stirling (2001:388) explains thematic networks as a systematisation of the extraction of: (i) lowest-order premises evident in the text (Basic Themes); (ii) categories of basic themes grouped together to summarize more abstract principles (Organizing Themes); and (iii) super-ordinate themes encapsulating the principal metaphors in the text as a whole (Global Themes). In the context of this study the following structure has therefore been used for qualitative data analysis of the Semi-structured interviews. The structure for the thematic network is illustrated below:

Figure 4-5: Structure for a thematic network



Source: Attride-Stirling (2001:389)

In order to reach to the point of a drawn thematic network as the structure above a process of data reduction which has been described way back by authors like: Bryman and Burgess, 1994; Miles and Huberman, 1994, Lee and Fielding, 1996) as referenced by Attride-Stirling (2001:388) has been agreed upon as the best way to conduct Thematic Analysis. This data reduction is vital as it reduces, provides a process with which the subjectivity of its inherent flexibility is reduced. Braun and Clarke (2006:5) availed the

process so that the use of thematic analysis to meet systematic and methodological standards of research. They highlight that a researcher may celebrate the flexibility of the method, and that there is a provision of a vocabulary and “recipe” for people use thematic analysis in a way that is theoretically and methodologically sound. This recipe, procedure or a process has become a standard to follow in order to arrive at a thematic network to consequently discussion and present the analysis of qualitative data. They are supported by Holloway & Todres, (2003) as they view such a procedure to be important, as over and above applying a method to data, researchers are able make their epistemological assumptions explicit.

Authors such as Seidel (1998:1) describe QDA as a process of Noticing, Collecting, and Thinking about interesting things: this models a simple foundation to the complex and rigorous practice of QDA such that once this foundation is internalised and understood a researcher can move in many different directions. In this study the structure provided by Attride-Stirling (2001:389) was adopted to draw the network but was driven by the process from Braun and Clarke (2006:5). This is because it is interpreted that Braun and Clarke (2006:5) has synthesised and harmonised the method of reduction form other authors and came up with a much more straightforward procedure.

Figure 4-6: Thematic Analysis Process

Phase	Description of the phases
1. Familiarising yourself with your data	Transcribing data (if necessary), reading and rereading the data, noting down initial ideas.
2. Creating initial codes	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes	Checking in the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic „map“ of the analysis.
5. Defining and naming themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells; generating clear definitions and names for each theme.
6. Producing the report	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

Source: Braun and Clark (2006: 35)

In application of the process for this study the Researcher conducted the Qualitative Data Analysis in the following manner:

Phase 1 familiarising yourself with data

In familiarising the self with the text the researcher re-read the responses and tabulated the information from the research guide. The data was re – arranged data and summarised it into sections. This became a continuous process of re-arranging as the researcher interacted with data. If data was captured or some points were thought to be missing the researcher consulted the responses in the interview guide. Similarities and contrasts were noted in the responses.

Phase 2 creating initial codes

To create the initial codes the Researcher noted the similarities and had small subheading for the similar codes. These were extracted from the tabulated data. The codes were then arranged and collated into one place according to how they related with each other. The codes were re – checked, re-visited which led to and refinement. The issues which were discussed during the interview were also noted and re- arranged according to how they related to the clustered codes.

Phase 3 searching for themes

The basic themes were then extracted from the collated codes, there was constant re- checking and re- arrangement to ensure rigor. This led to the extracted the organising themes, which were also rechecked and refined till they could make sense. It became easier to name the global theme.

Phase 4 reviewing themes

Some of the themes were not originally named as they are in the study and this is because during networking the themes and the subthemes, some did not sound as global but appealed only to be too narrow subjects or issues. Some were a repetition, so there was synthesis and re- naming. Some subthemes contradicted the global themes and so they were re- located to

the themes where the relation was more appropriate. The networks were drawn and completed.

Phase 5 defining and naming themes

After drawing the networks the relation was re- checked and more summarising and synthesising was done. The themes changed and organised better – this refined the networks. The final themes and subthemes were summarised into table. This gave way to the start of formulation and development of the network.

Phase 6 producing the report

A report was produced as Chapter four of this study. It allowed the researcher to explain the networks and the themes. The findings were reported and the narratives (extracts from interview responses to confirm) were used to validate the themes and the sub themes. The researcher also explained how the global themes converged into one umbrella theme: enhancing Financial Literacy Initiatives.” This became the basis for drawing and developing the framework. As the literature and the themes were synthesised the results yielded the variables or points which had implications for the design & development of questionnaire. The following figure illustrates this application:

Figure 4-7: Application of the Thematic Analysis Process

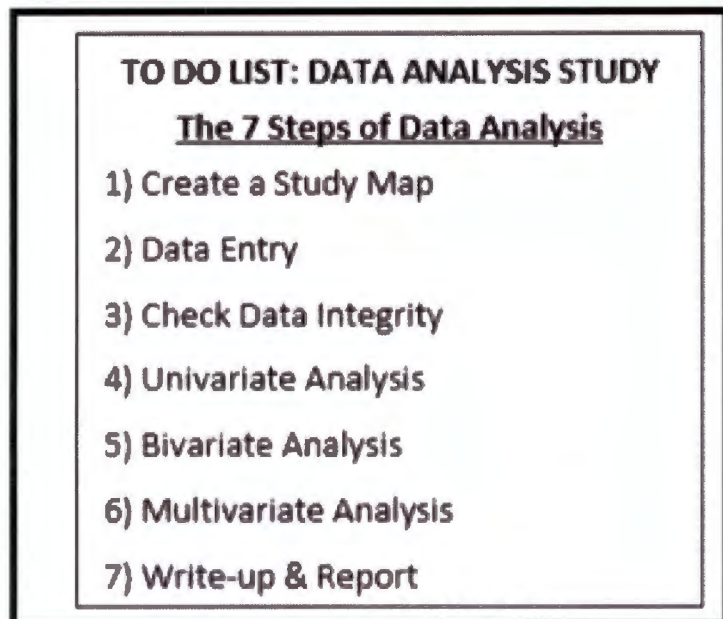
Phase	Application of process to the study
1. Familiarising yourself with your data	Tabulating information from the research guide Re - arranging data and summarising it into sections A continuous process of re-arranging as interacted with data
2. Creating initial codes	Extracted codes from the tabulated data Arranged codes & collated those which related into one place Re - checked the codes and refined the arrangement & the relation Noted the issues which related to the codes and were discussed during the interview
3. Searching for themes	Extracted the basic themes from the collated codes Extracted the organising themes Extracted the global themes Re- checked, refined and revised the themes
4. Reviewing themes	Reviewed & Searched for more relation Dealt with repetition Drawing the networks
5. Defining and naming themes	Summarising and synthesizing the themes. Changed and organised better the themes and refined the networks Named the final themes and made a summarised into table Arranged the summary & developed a Framework
6. Producing the report	Explained the networks and the themes Related to literature Used extracts from interview responses to confirm Explained the framework and its applicability Explained the value of results in design & development of questionnaire

Source: Researcher (2017)

4.10.2 Quantitative Data Analysis

The process for quantitative analysis is different from that of qualitative as there are numerical involved while qualitative analysis uses words and codes. According to Bannan (2013:19) data analysis in quantitative approach involves using statistical tests/procedures applied in a particular way and make interpretations which have a message or answers quantitative analysis can be done in different ways depending on the approach and the instruments used. In this study different techniques were used to suit the nature of the items in the questionnaire. The researcher used factor analysis, principal component analysis, cluster analysis and the different technological tools. In applying these techniques the data was subjected to the process of the seven steps identified by (Bannan 2013:19) and some guidance from Schoenbach (2004:45) with the process of: data cleansing, data coding, descriptive statistics, data presentation and interpretation. The process is as illustrated below.

Figure 4-8: Quantitative Data Analysis Process



Source: Bannon (2013:19)

Different types of technological tools were used by the researcher in quantitative data analysis. First data was organised using Microsoft Excel spread sheet compiling a data dictionary in preparation for conversion into a Statistical Package for the Social Sciences (SPSS). This assisted in easy cleaning and coding of the data. Most questions were already coded with scale attached to the items but the opinion structured questions which had multiple answers needed coding. It was also done for skipped answers and questions which did not suit some groups like students According to Schoenbach (2004:45) this is an acceptable procedure.

Exploratory factor analysis as explained by Arestedt (2013:2) is used to explore or investigate relationships between variables to identify or confirm underlying dimensions. According to Yong and Pearce (2013:79) it can be used for: field of application: theory development and Instrument development or validation or test of scales (Williams Brown and Onsmann 2010:1) The study utilised exploratory factor analysis for instrument validation having conducted tests: Cronbach's alpha reliability coefficient for internal consistency, Bartlett's test of Sphericity and Kaiser-Meyer-Olkin test (KMO) for measurement of sampling adequacy.

The integrity of data and instrument concerns issues of validity and reliability. In this study, internal consistency was measured by Cronbach's alpha reliability coefficient. This was in addition to the measurements explained above. According to Schoenbach (2004:445) "internal consistency which focuses on scale reliability is usually determined by using Cronbach's coefficient alpha". It is viewed by Arestedt (2013:2) as "the average of all of the inter-item correlations". As stated by Gliem and Gliem (2003:87) 'Cronbach's alpha reliability coefficient normally ranges between 0 and 1.' Schoenbach (2004:45) says that the desired measurement at 0.80 or greater it is considered adequate for a scale and the value for this study was 0.923 with 42 variable items which according to Arestedt (2013:2) is excellent.

A Statistical Package for the Social Sciences (SPSS) Version 23 (2015) used for descriptive statistics dealing mainly with the biographical information in section 1 catering for univariate and bivariate analysis. For higher levels of variables principal component analysis (PCA) and confirmatory factor analysis (CFA) were utilised for multivariate analysis. Still the Social Sciences (SPSS) Version 23 (2015) was use to extract factors and to derive graphs, pie charts and tables for analysis.

As a multivariate statistical technique (Yong and Pearce 2013:79) PFC was used for extraction of 9 factors for self – assessment test and also for data reduction of variables which could otherwise not have had much significance in the analysis. It is often that PCF is thought to be one of the types of Factor analysis Yong and Pearce (2013:79) but other authors make it distinct techniques in factor analysis (Arestedt (2013:2). According to Jolliffe (2002: X) PCF is used to reduce the dimensionality of a data set in which there are a large number of interrelated variables. During the process as explained by Jolliffe (2002: X) variables are retained as much as possible to preserve the variation present in the data set.

Confirmatory Factor Analysis is a form of factor analysis as outlined by Yong and Pearce (2013:79) According to Williams, Onsmann and Brown (2010:3) "Confirmatory factor analysis (CFA) is a statistical technique used to verify the factor structure of a set of observed variables" The CFA was used for the

self-assessment questions to confirm the variables observed from the qualitative report. According to Cornish (2007:1) cluster analysis is also a multivariate method which aims to classify a sample of subjects (or objects) on the basis of a set of measured variables into a number of different groups such that similar subjects are placed in the same group. In this study cluster analysis was for self-assessment and the performance test. This was for the variables which were mostly reduced by the factor extraction process and also for the performance test.

4.11 Ethical Considerations

When involved in research the conduct of the researcher must be ethical. Bhattacharjee (2012:137) explain ethics to mean that it is the moral distinction between right and wrong, and what is unethical may not necessarily be illegal. This is needed in every research and it is supported by Orb, Eisenhauer and Wynaden (2000:93) explaining that ethics pertains to doing “good” and avoiding harm. They comment to say that harm can be prevented or reduced through the application of appropriate ethical principles. Thus, the protection of human subjects or participants in any research study is imperative. Having explained what ethics are, the philosophical foundation ethics follows. Philosophy embraces ethics as one of its branches is axiology which Pathirage, Amaratunga and Haigh (2008:5) say reveals the assumptions about the value system. The philosophical approach adopted by Pathirage, Amaratunga and Haigh (2008:5) is that of value-based model from Cronin outlining ethics as part of the relationships with society. In this approach Stevens (2013:6) write that the emphasis is placed on care and responsibility. Any code of conduct beckons the attitudes of exercising responsibility to avoid harm on the participants. It also reflects the value system and consequently ethical considerations put forward in this study indicating those values which are deemed as fundamental and assisted the type of interaction which the researcher had with the participants and respondents.

4.11.1 Ethics and Evaluation

Since this study has an evaluative aspect it follows both the general aspects of research the specific evaluation research ethics. In some countries there are standards already established that specifically pertain to conducting evaluation research. The standards sometimes are even narrowed to the different disciplines in natural sciences and social sciences. However, when considering a guide for evaluators Stern (2004:40) advises, particularly from a programme perspective, standards under four main headings: (a) utility standards, (b) feasibility standards, (c) propriety d) accuracy standards. Holm-Hansen (2007:3) for instance outlines the standards set up in Minnesota: The Joint Committee on Standards for Education Evaluation issued a series of standards in 1994 that have been widely adopted. In this study the following is how the four standards were adhered to: 1. **Utility** – Evaluations should address important questions, provide clear and understandable results, and include meaningful recommendations. These are available in chapter seven of this study. 2. **Feasibility** – Evaluations should be realistic and practical, so that they can be completed in a time- and cost-efficient manner. This study was completed as scheduled by the North-West University period of studying. 3, **Propriety** – Evaluations should be legal and ethical. The researcher in this study followed the standards set up by the University and ensured that the general principles in research were observed. 4. **Accuracy** – Information should be collected, analysed, reported, and interpreted accurately and impartially. There should not be bias in reporting and the procedures outlined in the research design on data collection and analysis was followed.

4.11.2 Ethics for Mixed Methods

In the use of qualitative and quantitative research Orb, Eisenhauer and Wynaden (2000:93) say that the nature of ethical problems in qualitative research studies is subtle and different compared to problems in quantitative research. For example, potential ethical conflicts exist in regard to how a researcher gains access to a community group and in the effects the researcher may have on participants. In the combination of the two there is



not much difference to consider especially that the two approaches were sequential and embedded within each to make a rise to anything new. According to Onwuegbuzie Collins (2007: 306) what is important is that some organisations like American Educational Research Association (AERA) have stipulated ethical guidelines mixed methods researchers, but these turn out to be much similar to general research ethics.

4.11.3 Permission to Conduct the Study

It was quite critical to consult the institution where the research was conducted and therefore financial literacy providers were consulted prior to the research. Furthermore, the institution where the Researcher is enrolled was also requested to grant permission to do the research. In that regard, the Researcher obtained permission from the North-West University to conduct research for the partial fulfilment of the Doctorate of Philosophy in Business Administration.

4.11.4 Informed Consent

There are two most important ethical issues which should be considered in any research being consent and confidentiality. Patton and Cochran (2002:5) describe them as the key ethical issues. The first one to be dealt with in this study is consent, not that it is more important than confidentiality as both play a critical role in research. According to Saunders et al., (2006:43) informed consent is about making the participants be aware of the nature and the details of the research being conducted. Both the financial literacy providers and the participants were be given the details of the study before the actual research was conducted. Atkinson A. (2010:11) says that in informed consent the evaluator should ask how the participants will be informed about the evaluation.

4.11.5 Confidentiality and Anonymity

As one of the key ethical issues (Patton and Cochran 2002:7) it is of the essence that confidentiality become part and parcel of this study. The participants were assured of confidentiality and that their personal details

were not revealed as they were not required to write their names in the questionnaires. This is because research ethics dictate that participants in research should be respected and their anonymity should be guaranteed when answering a questionnaire. According to Orb, Eisenhauer and Wynaden (2000:95) an interview is usually equated with confidentiality, informed consent, and privacy, but also by recurrence of “old wounds” and sharing of secrets. The interview opens new risks to both researchers and participants. Considering old wounds and sharing risks, it is viewed that the institutions shared mostly company policies and therefore confidentiality was exercised: Among the issues surrounding confidentiality and privacy are time and place as indicated by Sture (2010:2). The researcher minded time scheduled for the interviews which was 30 minutes and utilised the offices for the interviewees so that familiarity could assure them of control and safety.

4.11.6 No harm to participants

The participants were well informed of their choice to withdraw from the research at any time if they wished. They were assured of the research responses to be used only for academic purposes and they were not prejudiced in any manner during research. According to Orb, Eisenhauer and Wynaden (2000:3) an ethical principle closely linked with research is beneficence - doing good for others and preventing harm. Saskatchewan and Kahan (2008:8) write that beneficence makes the researcher responsible for the participant's physical, mental and social well-being as related to the study. The risks to a person participating in a research study must be weighed against the potential benefit to the participant and the importance of the knowledge to be gained. In any case, all risks should be kept to a minimum. This is why Yoong et al (2013:207) advises that while some risks in conducting a financial capability evaluation may be pretty obvious from the start, some may not be nearly as obvious. In this study there were no risks involved.

4.11.7 Offering Reciprocity

According to Hammersley and Goldsmiths (2012:3) researchers depend upon being allowed access to data, and this may involve people cooperating in various ways; for example, giving up time in order to be interviewed or to fill in a questionnaire. In this study, participants were allowed to schedule time according to how it suited them in order to fill in the questionnaire or answer Interview questions. The researcher received information through cooperation and participants' diversity was accommodated. There was flexibility in making schedules for answering the questionnaire and interview questions. In studies some researchers may even offer incentives so that they may increase response rate or encourage subjects to participate. However Singer (2012:17) and Grant and Sugarman (2004: 733) says that there is no good evidence that monetary incentives reduce response rates, but there may be ceiling effects. Incentives seem to have greater effects on those less inclined to respond for other reasons. Some researchers question the validity and reliability of research where incentives are involved but Singer and Kulka (2002:18) reports that they have found no support for decline in quality, and modest support for alternative. In this view they are joined by Grant and Sugarman (2004: 733) who also argue that if the research meets the usual ethical criteria for human as subjects of research, the introduction of incentives will generally be benign. In this study no incentives were offered.

4.11.8 Equity and Justice

According to Hammersley and Goldsmiths (2012:3) the various individuals and groups that a researcher comes into contact with in the course of research should be treated equally, in the sense that no-one is unjustly favoured or discriminated against. All the participants were treated equally and without favour. They were given the same questionnaire to answer and none were given any privileges greater than the other. The questionnaire did not contain any questions which discriminated against any group of people, e.g. in terms of gender, race, tribe, nationality etc. This relates to issues of justice and fairness. Saskatchewan and Kahan (2008:8) write that the

principle of justice forbids placing one group of people at risk solely for the benefit of another. For instance, justice would not permit using vulnerable groups—such as minors, poor people, or prisoners—as research participants for the exclusive benefit of more privileged groups. In evaluative research Yoong et al (2013: 2010) summarises that in addition to considering the welfare of research subjects, there are broader ethical obligations, including objectivity, transparency, integrity, fairness, and professional competence. In this study were treated fairly and justly.

4.12 Chapter Summary

This chapter was structured to discuss the research methodology of the study. First there was the discussion of the philosophy of research to identify the philosophical stance of this study. The researcher has particularly chosen the pragmatic paradigm as it tallies with both evaluative research design and the Mixed Methods Research. The Mixed Method Research design selected for the study is the Exploratory Sequential design for the purpose of instrument development. It is two phased ensuring that the qualitative preceded the quantitative. The sampling techniques were purposive sampling using critical sampling for the institutions while cluster sampling was used for the individuals. The instruments for data collection were an interview guide with semi structured interview questions for the institutions while a questionnaire was administered to the individual recipients of financial education programme. Issues of validity and reliability were addressed by pilot testing and expert analysis of the instruments to ensure quality measurement. During the collection of data the researcher followed codes of ethical conduct instituted by the North-West University, the conduct and protocol required by the institutions and the consent from respondents. Above all the researcher observed the general fundamental principles of carrying out research. The next chapter, which is chapter five of the study focuses on data analysis, findings, and interpretation. It contains the Qualitative Thematic Analysis report mentioned above.

CHAPTER 5 QUALITATIVE RESULTS ANALYSIS AND INTERPRETATION

5.1 Introduction

This chapter presents a qualitative report containing results from qualitative analysis. It is preceded by chapter four which deals with the research methodology of the study, explaining the Mixed Method Research (MMR) approach with an exploratory design. The chapter explains every theme, and identified from the themes variable for the development of the questionnaire for the second phase of the study.

5.2 Qualitative Data Analysis – The Thematic Approach

As explained in chapter four which described the design and methodology of the study, thematic analysis is one form of qualitative data analysis. This was utilised in analysing the qualitative data from semi structured interviews conducted for this study. Researchers such as Attride-Stirling (2001:386), Braun and Clarke (2006:5) provide guidelines on the use of thematic analysis because they have a procedure in so much a debatable environment of whether or not thematic analysis for its nature of “flexibility” is able to meet systematic and methodological standards of research. What is pertinent for this study is that they “celebrate the flexibility of the method, and provide a vocabulary and “recipe” for people to start doing thematic analysis in a way that is theoretically and methodologically sound” (Braun and Clarke 2006:5). It is the same recipe which has been adapted and followed for this study.

5.3 The Thematic Network Process

Having utilised the procedure from phase one to five (Phase 1: Familiarisation with data, Phase 2: Generating initial coding, Phase 3: Searching for themes, Phase 4: Reviewing themes, refining and producing a thematic map, Phase 5: Defining and naming themes), this section of the study presents phase six which requires a production of a report: “Phase 6: Producing a report to convince the reader of the merit and validity of the

analysis (within and across themes), using data extracts embedded within an analytic narrative to make an argument in relation to the research question”. This report therefore outlines: The global themes, the subthemes, the narratives (the responses on the interviewees have been coded as Participant 1 to Participant 20 for purposes of ethical considerations relating confidentiality and anonymity) which support the findings, the applicability of the findings which is embedded in the framework proposed, the connection of themes to the research questions and a way forward on how the results were used to prepare for Quantitative Data Analysis. The findings are presented below.

Table 5-1: Themes and subthemes

THEME	SUB THEMES
Theme 1 <i>Consumer Empowerment</i>	1. Change in Perception, behaviour and Attitudes 2. Informed Decision Making
Theme 2 <i>Stability & Sustenance</i>	1. Financial education for Financial Stability 2. Financial education for Sustenance
Theme 3 <i>Business Growth</i>	1. Sales & Marketing 2. Corporate Social Responsibility 3. Customer Oriented Service 4. Minimal costs for Great benefits
Theme 4 <i>Inclusive Financial education</i>	1. Reaching out through different Methods 2. Reaching out to different people
Theme 5 <i>Measurement & Evaluation</i>	1. Measurement & Evaluation for Feedback 2. Measurement & Evaluation to determine suitability 3. Measurement & Evaluation for Research and knowledge addition 4. The role of different stakeholders in Measurement & Evaluation
Theme 6 <i>Government led National Strategy</i>	1. Stakeholder Involvement 2. A defined Curriculum 3. Regulation and Control 4. Strategies of Implementation

Source: Researcher (2017)

5.4 Themes and the Research Questions

The main objective of the study was to evaluate financial initiatives and create a framework for enhancing these initiatives in Botswana. From these objectives five main research questions were formulated to answer the

questions and provide information that satisfied the requirements of the aim and objectives of the research. The research questions identified the themes outlined below:

Table 5-2: Themes and the research questions

THEME	SUB THEMES	The Objectives of the study	The research Questions
Theme 1 <i>Consumer Empowerment</i>	1. Change in Perception, behaviour and Attitudes 2. Informed Decision Making	Obj.1 To establish the reasons for conducting financial literacy initiatives	RQ1 What are the reasons for financial literacy initiatives
Theme 2 <i>Stability & Sustainability</i>	1. Financial education for Financial Stability 2. Financial education for Sustenance	Ob1. To establish the reasons for conducting financial literacy initiatives	RQ1 What are the reasons for financial literacy initiatives
Theme 3 <i>Business Growth</i>	1. Sales & Marketing 2. Corporate Social Responsibility 3. Customer Oriented Service 4. Minimal costs for Great benefits	Ob1. To establish the reasons for conducting financial literacy initiatives	What are the benefits of financial literacy initiatives on the Providers?
Theme 4 <i>Inclusive Financial education</i>	1. Reaching out through different Methods 2. Reaching out to different people	Ob3. To find out the ways of enhancing financial literacy initiatives	RQ3 How may Financial Literacy initiatives be enhanced
Theme 5 <i>Measurement & Evaluation</i>	1. Measurement & Evaluation for Feedback 2. Measurement & Evaluation to determine suitability 3. Measurement & Evaluation for Research and knowledge addition 4. The role of different stakeholders in Measurement & Evaluation	Ob3. To find out the ways of enhancing financial literacy initiatives	RQ3 How may Financial Literacy initiatives be enhanced
Theme 6 <i>Government led National Strategy</i>	1. Stakeholder Involvement 2. A defined Curriculum 3. Regulation and Control 4. Strategies of Implementation	Ob4. To assess the role of stakeholders in enhancing the initiatives	RQ4 How may Financial Literacy initiatives be enhanced RQ4 How may the role player enhance financial literacy initiatives

5.5 Theme 1: Financial Education for Consumer Empowerment

It has been realised from the analysis that financial providers engage in the exercise mainly for the reasons for empowerment of consumers. In their opinion financial education changes perceptions, behaviour and the attitudes of the consumers. They also believe that financial education provides an opportunity for the consumer to obtain very vital financial literacy skills and information which assist in making informed financial decisions. It is made clear that one of the purposes of conducting financial education is to empower citizens. This theme addressed the following research question: What are the reasons for financial literacy initiatives? The findings are:

1. Changes perceptions, behaviour and the attitudes of the consumers

1. Financial Education provides change in perception

- 1. FE provides change in perception, behaviour and attitudes on savings*
- 2. Financial Education provides change in perception on investments*
- 3. Financial Education stimulates interest in financial & stock markets*
- 4. Financial Education FE changes perception on Taxation*

2. Financial Education provides change in attitude and behaviour of individuals & groups

- 1. Financial Education changes behaviour and attitudes of Employees*
- 2. Financial Education changes behaviour and attitudes of students towards personal finance*
- 3. Financial Education changes behaviour and attitudes of defaulters*
- 4. Financial Education minimises pressure from unions*
- 5. Financial Education changes spending & borrowing habits of consumers*
- 6. Financial Education has contributed to increase interest savings & Investment*

3. Financial Education provides change in business behaviour & attitudes

- 1. Financial Education increase business competitiveness*
- 2. Financial Education provokes businesses to provide Corporates Social Responsibility*
- 3. Financial Education assists Business in changing their marketing strategies*
- 4. Financial Education assists businesses to understand customers for better service delivery*

2. Informed Decision making

1. Empowerment for different people to make better decisions

- 1. Financial Education to empower employees to make informed decisions*
- 2. Financial Education to empower private Clients to make informed decisions*
- 3. Financial Education to empower society & communities to make informed decisions*
- 4. Financial Education for Youth empowerment to make informed decisions*
- 5. Financial Education a foundation to young people- Educate from an early age*
- 6. Budgeting should be a skill empowerment for everybody*
- 7. Financial Education increases levels of financial Literacy to empower all groups*

2. Budgeting is a central skill for empowerment and financial decision making

- 1. Budgeting is a source of empowerment and confidence*
- 2. Budgeting skills assist groups to have positive change towards use of their income*
- 3. Consistency in budgeting keeps consumers trendy and well informed*
- 4. Consistent budgeting empowers groups to be in control of their finances*

3. Financial Education creates awareness for better decision making

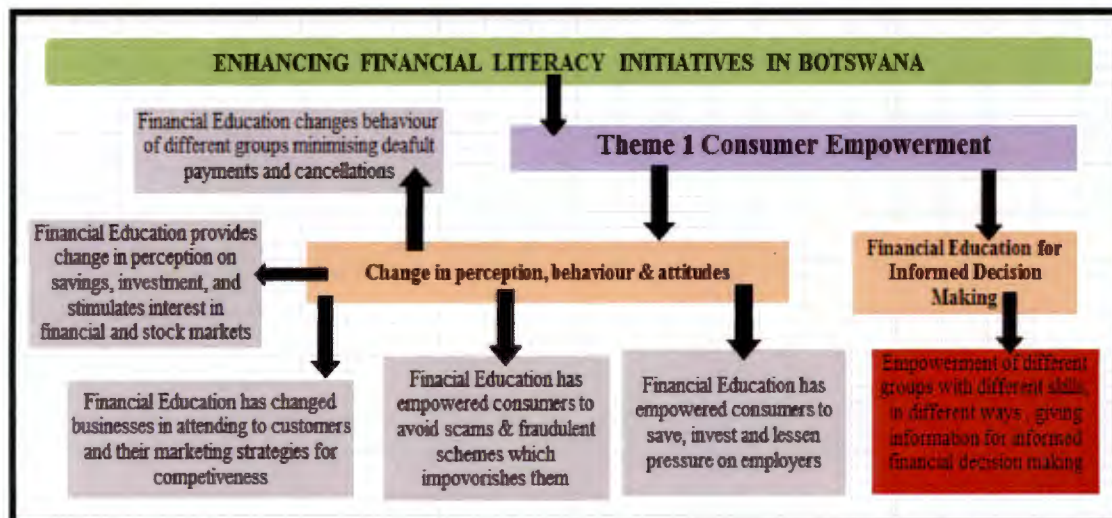
- 1. Customers who know their rights make better decisions*
- 2. Understanding the financial market is vital for decision making*
- 3. Empowered customers help businesses know their needs*

4. Consumer Empowerment through Edutainment

- 1. Consumer Empowerment by learning financial concepts through mock businesses*
- 2. Consumers Empowerment by learning financial concepts through competition*
- 3. Consumer Empowerment by learning financial facts through fun*
- 4. Consumer Empowerment by learning through play and song*

The following figure is a tabulated summary of the findings.

Figure 5-1: Summary of Theme 1: Consumer Empowerment



5.5.1 Changes in Perception, Behaviour and Attitudes

The results of the thematic analysis indicate that financial education provides change in perception. It is believed that financial education changes perception on investments, stock market and taxation. The change after financial education as reported by **P12** is that of increased interest in stock market: *“Young people usually develop interest in stock market after these competitions and after being educated on shares and the value of investment”*. Change is also reported by on taxation **P18** when they say: **P18**: *“Consumers now understand the value of Tax Returns and the consequences of evading tax”*. There is also a change in compliance towards Taxation which is validated by the following statement from **P18**: *“Batswana have improved and the education has been designed to address lack of knowledge on Taxation and compliance.”*

Most of the companies which conduct financial education target young people in and out of school. **P20** being one of these, reports a change in behaviour and attitudes of students: they view personal finance, engaging in mock businesses and learning financial literacy as **P20** states verbatim: *“A cool thing to do”*. According to **P20**: *“Students tend to become aware of their needs, tend to learn how to be honest, how to be cautious and how to be*

accountable of the resources which they use.” The purpose of their programme as highlighted by **P20** is to empower young people with lifelong skills and financial literacy skills being one of such. Literature by researchers such as Johnson and Sherraden (2006:3) and Cohen and Nelson (2011:11) in chapter two revealed that youth are one group that are a center of focus in giving financial education by different stakeholders and the idea is to initiate and introduce the habit of financial planning from grassroots level, and to empower on life-long learning skills. This answers the sub research question: who are the targeted group for the initiatives and programmes for financial education? Most programmes have the following reasons to target youth, students and children:

1. **P12** – *“It creates a foundation for the habit for savings so that when they are adults Batswana may increase the level of the culture to save up income for a purpose.”*
2. **P12** – *“Financial education creates a habit for investment in shares at a young age therefore changing perceptions about investment in shares at grassroots level “*
3. **P11** – *“to create a culture and the spirit of entrepreneurship at an early age so that with basic accounting and business income management the youth understand their role in contributing to the economy. They should also understand that being an entrepreneur does not have to start when somebody retires.”*
4. **P10** – *“The youth must understand that funded businesses must grow, and they should learn that loans should be paid back.”*
5. **P3** – *“Education on personal finance is important for youth to empower them to make informed decisions.”*
6. **P20**- *“Empower youth on social life skills – including financial literacy.”*
7. **P13** – *“Target is mainly youth to empower them at an early age.”*
8. **P1**– *“Personal Finance for youth is vital from an early age.”*
9. **P17**– *“Youth and young people in schools as it is the mandate to empower them on life- long skills.”*
10. **P10** – *“The youth must understand that funded businesses must grow, and they should learn that loans should be paid back.”*

Thomson (2012:14) purports that “financial literacy involves not only the knowledge, understanding and skills to deal with financial issues, but also non-cognitive attributes.” It deals with attitudes: prudence in money management, consistency in budgeting, sound investment and financial

responsibility (Tustin 2010:1096). Therefore as much as it impacts young people and children should develop attitudes from an early age (Mundy and Musoke 2011:54) financial education changes attitudes, and behaviours of other individuals and different groups. According to Tustin (2010:1096) and Anders *et al* (2011:13) financial attitudes include views on general experiences in dealing with money and many behaviours and attitudes such as debt management and dealing with credit cards and savings. Literature analysis had reflected that most of the target groups are children in schools, the youth, employees and the marginalised groups (Lyons and Scherpf 2003:4). The thematic analysis reflects the same, indicating different target groups were affected positively by financial education some of these being unions and employees. The Financial education providers have this to say about the change experienced by employees and unions: **P4:** *“Employees have shown increase in saving and investment activities loan management like decrease in default payment.”*

P5: *“There has been change in behaviour & attitudes as employees purchasing impulses have been reduced, there has been increased financial prudence by employees and less complaints concerning personal finance.”*

P5: *“In addition to reduction in complaints about workers managing their money the bank is experiencing the benefits of having happy, confident employees.”* **P15:** *“There have fewer complaints and people are heeding to warnings about bogus schemes and scams. This because the reason for empowerment for P15 is to: “Inform consumers about scams and consumer rights.”*

In addition to change and benefits of educating employees, those who belong to unions also give companies the benefits of experiencing less pressure on salary increases: **P5:** *“There are fewer problems of employees taking part in Unions activities and they exert less pressure to the organisation.”* **P15:** *“There are less complaints and people heeding to warning about bogus schemes and scams.”* This is what authors like Hung, Parker and Yoong (2009:5) say about financial education assisting to avoid pitfalls, highlighting as one of the reasons to provide financial education making the public or target audiences aware of threatening financial environments.

P3: *“People have changed their spending habits, and specifically there is noticeable increase in the use of technology.”* **P19:** *“There has been a change on the behaviour of employees as they are able to live within their means, budget and keep track of their money and there is also change in spending habits.”* **P7:** *“There are fewer cancellations; defaulters especially reflected in the Union Schemes, they show confidence and the ability to view income as a basic item for wealth creation.”* As **P7** observed, it has also been identified from the thematic analysis that Financial education has an *“economic benefit giving different groups the opportunity for asset management and wealth creation”* (Sebtad, Cohen and Stack 2006:5, Bell & Lerman 2005:8, Schuchardt et al (2009:88). Asset management and wealth creation are discussed further in the next theme: Stability and Sustainability. Another important group which is reported to have changed in behaviour and attitudes is the Small Business Community hence the organising theme: Financial education provides change in business behaviour and attitudes. The results are that: *1. financial education increases business competitiveness 2. Financial education provokes businesses to provide Corporate Social Responsibility 3. Financial education assists business in changing their marketing strategies 4. Financial education assists businesses to understand customers for better service delivery.* If small business group are targeted for financial education they also become empowered and aware of their customers’ needs.

5.5.2 Informed Decision Making

Different groups of people have been mentioned as being in need of empowerment which means all segments of the society and the consumer population needs information on personal finance in order to make informed decisions (Holzmann 2010:13; Mandell and Klein, 2007:2) having observed that poor decision making comes as a result of lack of financial knowledge, a problem which can be overcome through mandated financial education. Lusardi and Tufano (2008:1) focusing on debt literacy, identify that financial education contributes to making simple decisions on personal finance. Therefore the summary of the thematic analysis reflect this: Financial

education contributes to empowerment. It has been interpreted from the data that budgeting should be a skill empowerment for everybody: employees, students, young people (in and out of school), private clients (organisations represented by **P3** and **P1**) affinity groups, societies, associations and communities. These are the findings:

- 1. Financial education to empower employees to make informed decisions.*
- 2. Financial education to empower private Clients to make informed decisions.*
- 3. Financial education to empower society & communities to make informed decisions.*
- 4. Financial education for Youth empowerment to make informed decisions.*
- 5. Financial education a foundation to young people - Educate from an early age.*

Among all the skills taught in financial education budgeting is a central skill which contributes behaviour change & empowerment in financial decision making. It is believed that budgeting is a source of empowerment and confidence in all aspects of personal finance; it assists groups to have a positive change towards the use of income. When performed consistently budgeting keeps consumers trendy and well informed of their needs, and it empowers different groups of people to be in control of their finance. The following are the findings on budgeting: *1. Budgeting should be a skill empowerment for everybody, 2. Consistency in budgeting keeps consumers' trendy and well informed and 3. Consistency in budgeting empowers groups to be in control of their finances.* This is in line with what in the literature analysis revealed as budgeting helps consumers to "keep track" (Robson 2012: ii Kempson *et al* 2005 and Atkinson, *et al*, 2006). Lyons *et al* (2006:399) also say that in the United State of America, even though there are not many studies which reflect the impact of budget counselling, it is common for homeownership and budget counseling features prominently in several state and local laws that attempt to curb predatory lending in mortgage markets.

The results of the interview also reveal that budgeting skills assist groups to have positive change towards use of their income, **P20**: *“Budgeting is an essential skill for young people to manage their finances”* **P3** *‘Budgeting is a basic skill for students in schools – it’s a life skill to prepare them for the future’* **P1** *“budgeting is essential for everybody including employees so as to deal with their personal financial planning* **P2**: *“Financial education empowers business to budget their income”* **P12**: *“Budgeting is the most basic skill to learn and practice in order to invest or make savings from income”*. In their definition of financial literacy Remund (2010:281) has indicated that building up confidence through financial literacy is a factor. It is also a proposition that financial confidence is built through consistency in budgeting. Mundy and Musoke (2011:15) write to say that it assists in decision making – being assured of what they would like to achieve.

While mentioning goals Kotze and Smit (2008:44) research revealed the importance of confidence in managing money to achieve financial goals, and its vital role also in making independent investment decisions. There is a premise that customers who know their rights, have awareness which empowers them to make better decisions which is presumed to extend to financial decision making: The results of thematic analysis reflect that Financial education creates awareness for better decision making: **1. Customers who know their rights make better decision** **2. Understanding the financial market is vital for decision making** **3. Empowered customers help businesses know their needs.**

According to Hung, Parker and Yoong (2009:5) one the outcomes of financial education is being able to make financial decisions and in knowing their rights they contribute to improved financial services: (Frączek B and Klimontowicz 2015: 63, Miller and *et al* 2009:8, Worthington 2006:1 and Rutledge and *et al* 2010:3). The interpretation is that, the awareness prompts them to question products, the quality of service offered and the motive behind offering such products and services. They also question their behaviour towards investment, savings and the use of credit facilities or products. Such the empowerment which is highlighted by Miller and *et al*

(2009:8) in the definition financial literacy: "Financial literacy is an active process, in which communicating information is only the beginning: empowering consumers to take action to improve their financial well-being is the ultimate goal. Financial literacy is critical for promoting access to finance by creating incentives and environments that promote desired financial behaviors such as saving, budgeting, or using credit wisely." This is as Wilson (2000:5) in short writes: "people become questioning and change behaviour to manage their finances better". The results from the interviews ascertain this: **P16:** *"Financial Literacy empowers Batswana to understand their rights as consumers of financial products in the market"* **P18** *"Batswana have begun to show interest in taxation and have begun to question the amount of tax they pay hence keen to make their self- calculation/ assessment to verify deductions from their income."* This is an indication of empowerment, knowing ones rights and being actively involved to improve their financial environment. **P19:** *"Employees especially of Unions have awareness of their earning, salary increases, deductions from income and how these contribute to their retirements"*

The rights of consumers do not end at just knowing about them but also about understanding financial markets. For **P20** the overall goal of the program is to, *"Incorporate social & financial education and activities to help children and youth make sound financial decisions."* The youth begin to understand the financial markets and so become confident in making financial decisions. (Miller *et al* 2009:2) has informed that "Financial literacy is the combination of consumers'/investors' understanding of financial products and concepts and their ability and confidence to appreciate financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being." Worthington (2006:1), and Braunstein and Welch (2011:455-456) studies also encourages knowledge of financial markets to make better informed decisions. As these consumers get empowered and understand the financial market, this also becomes feedback to business: and important aspect which also relates to relating also the theme three: Financial Literacy for Business Growth- Financial education helps to improve the quality of services (Sebtad,

Cohen and Stack 2006:5) and Miller and *et al* (2009:3) as consumers question (Wilson (2000:5), it follows that business assesses the demands of their clientele, the products they offer and what can be best for the customers. This empowerment reported above is offered to consumers through different methods but mainly through edutainment especially for young, whereby education is delivered through fun and entertainment: competitions, mock business, song and play. These are elaborated further in the theme which follows theme two: Inclusive Financial Education.

5.5.3 Summary of Theme1 - Consumer Empowerment

In conclusion for theme one, citizens are offered financial education, and the results expected is being able to change and make informed financial decisions. This is one of the reasons why financial education providers offer the programmes. Theme 1 therefore answers the research question **RQ1**. What are the reasons for providing Financial Literacy initiatives? The recipients are expected to change the perception of certain aspects of personal finance, change in behaviour and their attitudes towards use of their income. These changes have been reported by the interviewees as cited. Segments should display what has been discussed in the literature review from Hogarth (2006:3) stating: “the outcome of financial education – that is, what a “financially educated” person does – include behaviors such as paying bills on time, having manageable levels of credit, setting financial goals and having a way of achieving those goals through saving and investing, spending wisely, and so on.”

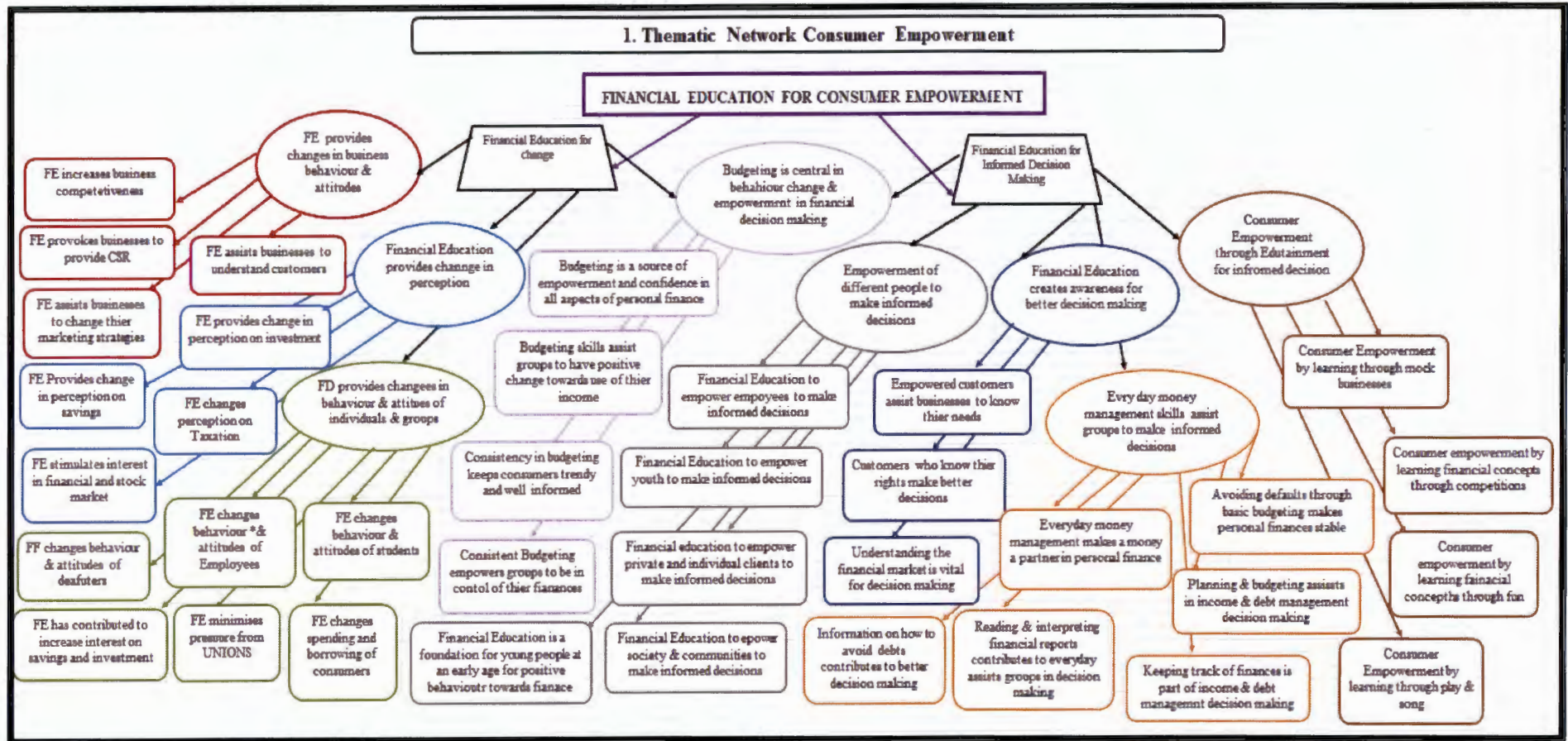
5.5.4 Implications for Quantitative Phase (Variables)

The theme contributed to identifying content areas and gave an idea on which areas to focus on when asking the questions. The following are the implication for phase two obtained from the theme:

Table 5-3: Variables from Theme 1: Consumer Empowerment

Areas of Knowledge	Focus for the questions
Content Learnt	Investments, Banking, Basic accounting, Loans & Debt Management, Taxation , portfolio diversification, savings
Attitudes & Behaviour	Type of Investor, level of confidence through self – Assessments on habits and behaviour : habits on spending, borrowing, use of bank cards, behaviours on tracking spending, filling tax, living within means ,
Skills	Performance test on: Budgeting, ability to save, ability to liabilities, assets, interest calculation, investment , re investment , financial statements, loans and debts, basic banking concepts and reading of statements: debit, credit

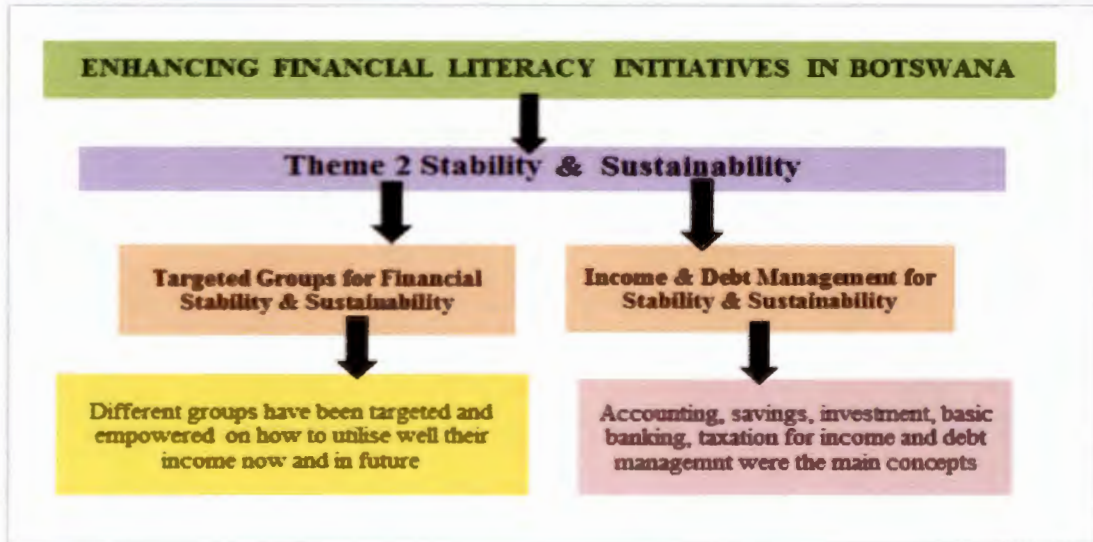
Figure 5-2: Thematic Network for Theme 1: Consumer Empowerment



5.6 Theme 2 Financial Education for Stability and Sustainability

Other than consumer empowerment, the thematic analysis reflects that another reason to conduct financial education is to ensure that target groups are able to manage their income and debts for financial stability and sustainability. Therefore the theme: Financial education for stability & sustainability was obtained. The interpretation being financial stability is about consistency in the present moment while sustainability is about continuity and future: The questions from this theme are: Stability: Are people able to constancy and consistently manage their income and debt, and Sustainability: Are people able to carry this management over longer periods of time to endure financial demands even in future. Literature analysis supports financial stability and sustainability as indicators of financial literacy as Tustin (2010:1096) used it as one of the construct for financial literacy behaviours and attitudes in their research. The findings are: 1.Financial education for Financial Stability and 2.Financial education for sustainability. The summary for the thematic analysis is presented in the following figure below:

Figure 5-3: Summary of Theme 2: Stability and Sustainability



5.6.1 Target Groups for Financial Stability and Sustainability

Many different groups are targeted for financial education so that the consequence for such an education may impact them to financial stability and sustenance. The reason for such a variety of target groups is interpreted from what **P8** says: *“Everybody needs to know, everyone handles money every person needs planning for now & future”* The thematic analysis identified the following groups include: Members of the public (inclusive of all segments except employees), 1. Members of the public, 2. Young people (inclusive of children, teens, students, 3. Small Businesses, 4. Employees (all types as casual labourers, professionals, temporary workers, permanent and pensionable, contract etc.)

1. Members of the public: The public is targeted for awareness and empowerment for financial stability & sustainability to encourage them to plan and budget, to help them make informed decisions, to educate them on wealth creation. Some of the interviewees say: **P4:** *“Create public awareness and empower them on financial planning for saving for short term and future purposes”* and **P16:** *“Create awareness and empower the public on financial management so that they may make informed decisions to have financial stability”* The interviewees have this to say on creating awareness for the public in order to have financial stability and sustenance: **P3:** *“To empower the public to make sound financial decisions and help them dealing with everyday life in the aspect of personal finance for financial stability”* **P8:** *“Create awareness for members of the public young and old on saving, investing and having financial stability”,* **P13:** *“The idea is to expose the whole public to financial investments offered – especially Unit Trusts for financial stability and sustenance”,* **P9:** *“Give the public financial awareness so that people may know what money can do for them-they should be able to sustain their resources”* This is interpreted that there is need for strategies to educate members of the public. Frijns, Gilbert & Tourani-Rad (2013:1) provoke governments and policy makers to should consider ways to increase the financial experience of the public as a way of improving their financial

literacy and it should not be easily translated that financial education will translate into good financial decision making.

2. Young people: Young people in and out of school are targeted to be trained on personal financial planning for stability & sustenance: **P8** *“Create awareness for members of the public including young people so that they learn of saving, investing to have financial stability”* They are targeted to give them foundation at an early age, to be given exposure to the financial market, to educate them to handle money now and in future. Most of the interviews reach out to the youth and they agree that: **P1:** *“Teach young people personal financial planning at an early age to learn to how budget and have financial stability.”*, **P6** *Youth have begun saving their money hence being able to sustain themselves in future.*, **P9** *“These are the groups (including young people) which often lack information on money usage, on investment, and don’t know how rich people created wealth.”*

Creation of wealth is all part of trying to have financial sustenance. Sebtad, Cohen and Stack (2006:5) and Bell & Lerman (2005:8) from the literature analysis write on well creation and asset accumulation and this to be interpreted as a way of making efforts for financial stability and sustenance. The literature analysis suggests that the interest in youth financial education is at a swell because they need to prepare for adulthood (Johnson and Sherraden 2006:3). They may not be able to invest or save but Cohen and Nelson (2011:11) write that financial education targeted to youth is more likely to focus on negotiating with parents about spending money, the value of saving, and planning for the future than it is on investing.

3. Small Businesses: Small Businesses are targeted to be taught how to have financial stability and also sustain themselves in the market: According to Worthington (2006:16) businesses owners in Australia were among the groups with low levels of financial literacy and needed to be empowered. In Botswana they have been identified as a group of interest to educate. They are targeted to be taught how to save for short and long term goals, to be taught how to diversify their portfolio and to be taught how to utilise their resources through budgeting. The examples from the interviewees’

comments are: **P9:** *“Individuals and small businesses must have the ability to sustain themselves using scarce resources”, P9: “Give awareness on financial management for financial stability and sustenance”* Businesses are included as they also target small businesses..**P2:** *‘Empowering small business to budget for sustainability.’, P10:* *“Small Business Enterprises must learn how to sustain themselves in the market.”, P11:* *“To assist the potential entrepreneurs to be equipped with skills to do business well so that they may have financial stability” P11”One of the abilities expected of financial education for small business is that of sustainability.”*

4. Employees: employees are targeted to educate them on how to be stable financially and sustain their income. This is because employees have a right to be informed on financial matters so that they make financial plans now & for future. They are important to target as the literature review informs that they are part of the diverse groups to target for financial education (Cohen and Nelson 2011:11). This Corroborate with the following responses from interviewees: **P19:** *“Empower employees to deal with: Debt management, psychology of work, funds for now (every day spending) and saving for future (retirement)”, P4:* *To reach out to government employees government to be encouraged to save to have financial stability.* In addition the thematic analysis gives insight that employees who have received financial education have reduced complaints about money and able are to sustain their income. The narratives from the interviewees support this: **P19:** *“Reduction in complaints about workers managing their money”P3:* *“Employees are able to deal with everyday life in the aspect of personal finance for financial stability” P19:* *“Employees have shown financial stability”* Another observation is that employees are targeted to help them make both short and long term decisions on income as they handle money. This is what the observation was extracted from: **P19:** *“Give employees information so that they make better long term and short term goal for their personal finance” They have to be empowered and given information because literature has alluded to employees working under current competitive environments of the job market are faced with job insecurity, volatility in financial markets as threats for retirements, (Agarwalla et al (2012:9). The attitudes and skills which*

employees have to learn are – **P3** *“stability and debt management”* **P6** *“Planning and budgeting for now and future”,* **P16:** *Ability to sustain families*

5.6.2 Income and Debt Management for Stability and Sustainability

The target groups for the financial literacy initiatives are expected to be able to manage their income and debts so that they may have financial stability and sustenance. The different groups are given knowledge on basic accounting, investment, portfolio diversification **P14:** *“Knowledge given to clients is portfolio diversification”,* budgeting, basic banking and taxation. In basic accounting they are expected to calculate their earnings, their debts, their savings and their investments: The interviewees have this on accounting **P4:** *“Basic accounting for income and debt management, calculating their earnings and controlling their debts”* **P12:** *“Basic accounting and budgeting to keep track of investments”*. The results also indicate that these different groups have improved on basic accounting skills: **P12:** *“target group able to use the concepts and calculate,”* **P5:** *“Improvement on basic finance skills like basic accounting”* There is also an observation that some groups have increased participation in the money market and has assisted the groups in making investments, especially young people who are involved in the stock market Competitions:**P12:** *“The concepts taught are money market stock investment”* The target groups are also taught: to view information on the stock market as useful in everyday investment decisions, to know that keeping track of investments is part of everyday income and debt management, to re – invest income to make more money, and they receive knowledge on **P9:** *give information on different form of investment, encourage re- investment and discuss issues of simple interest and compounding, in short they must know the behaviour of money”*. In the case of shares and stock market the thematic analysis depicted that information on investment opportunities as helpful and that people have begun to have confidence in stock market investment: **P12:** *“confidence to invest in shares and stock has grown”* in addition **P12** *“students have shown remarkable interest in stock”* and **P14** *“Trustees are taught money market and market performance”*.

The different groups are also taught basic banking to deal with debt and income and financial education is reported to have contributed to increase in children opening bank accounts and to increase in use of e technology (both internet banking, telephone banking) . The audiences are taught to utilise E - Technology for basic everyday banking such that it is reported to have increased especially among youth and professionals. P3 encourages the use of e – technology and comments: *“Use of e- solutions for banking, savings, paying bills, which is quite convenient- educes queues in the banking halls”* They add to say: *“clients should master E- technology (e.g. e– walleting) and doing banking outside the bank at their own convenience”*. This has encouraged convenience & independence in transactions while the telephone banking with the use of SMS reporting assist clients to track their money: **P3-** *“Telephone banking gives clients the opportunity to track finances for income & debt management”* From the initiatives and programme they receive knowledge on different services for everyday basic banking. Almost all of the interviewees have included basic accounting as part of knowledge to learn. It is complimented by the idea of “everyday money” management which cuts across concepts identified” **P1** has this to say about knowledge given to recipients: *“Learn about everyday use of money and basic banking; it will make them manage their incomes and debts”* while says **P2:** *“Every day banking to take care of cash flows”* **P4:** *Basic banking skills- for every day track of money”* **P2:***“Teach skills like basic accounting and basic banking”* **P6:** *Opening of bank accounts & every day banking”* , and to this many people are said to have opened bank accounts to utilise banking services as indicative of change in behaviour and impact of financial education. **P1,** *“Many opening of savings accounts and increase in the use of bank products”,* **P3:***“Increase in opening of bank accounts and utilisation of banking services – access to finance”* **P5,** *“Opening of different types of accounts and utilisation of banking services has increased”***P6:** *“Increased account openings by children and youth”* **P8,** *“Since the programme people are investing, saving and utilising bank services and* **P20:** *Opening of accounts making transactions and generating income.”*

The results indicate that financial education has contributed to the development of the culture of savings among different groups more especially young people and employees. Employees have also been reported to live within their means carrying packed lunches since the impartation of knowledge, skills and attitudes. Commenting on living within means this is said: **P6:** *“People trying to live within their means”*, **P7:** *“Living within means focusing on savings and investment”***P9:** *“people are now living within means and have begun prioritizing investment”*, **P13:** *“Living within means to satisfy the appetite for savings and finance”* **P19:** *“Living within means by budgeting and keeping track of their money”***P20:** *“Learning to live within means at young age”*. They have been taught to avoid unnecessary spending but to contribute to savings as the culture of lack of saving does not prepare for rainy days- **P19:** *“They need knowledge on savings because lack of savings does not prepare for a rainy day”*

There has also been a change in behaviour from the recipients. The interviews acknowledge this by saying: **P8,** *“Since the programme people are investing, saving and utilising bank service”* They have also received knowledge on different types of savings. They have not only the knowledge on saving but have also cautioned on spending as culture of haphazard spending impoverishes citizens. **P19:** *“There is Change in spending habits”* To diversify their portfolios they were informed of different forms of savings. All the interviewees encourage portfolio diversification as one of the skills they given to the target groups. Examples are: **P14:** *“Trustee interested in Portfolio management.”*

Taxation is one of the important concepts which were taught the target groups: Segments, even small businesses, are educated on the concept of taxation and how to treat payment of tax to avoid debt. Bell & Lerman (2005:8) in the literature review asserts that taxation filling and tax refunds are one of the “key moments” which attract sponsorship for financial education. The groups are taught the different types of tax: (Income Tax, Value added), **P18:** *“The public remind them of tax returns and compliance Businesses”* and **P9:** *“The public is taught about taxation, tax avoidance, tax evasion and*

compliance.” They are also sensitised on the consequences of tax evasion educated on taxation for savings (avoidance & rebate). **P18:** *“The different groups are given knowledge on Tax evasion Tax avoidance & rebate Tax compliance”* They are also encouraged to value of tax compliance to income earnings, and on savings and investment. The following is what the interviewees contributed on Taxation as the concept included in their financial education initiatives/programme **P9:** *Taxation and compliance for income management and the consequences of lack of compliance (Avoidance) is emphasised* **P18:** *“Managing incomes, Vat Collection or any type of tax and making as part of their financial budgets for financial stability”* There is also a report of change with increase in the level of compliance: **P18:** *“There is positive change in compliance and the ability to manage personal finance and tax as part of income & debt management.”*

The small businesses in Botswana are sometimes run by groups of people who have low levels of financial literacy. When given financial education they are reminded to emulating best practices which make businesses stable, to limit spending so that they may save money. **P11:** *“Emulate best practices to sustain business”* **P11:** *“Using Resource persons as part earning from successful entrepreneurs”*. They are therefore coached on debt & income management and taught business skills and concepts for business stability and sustenance. These skills include, making business plans, budgeting, basic accounting, and portfolio diversification: **P8:** *“Saving from income earned to sustain business”* **P10:** *use of funds in business for financial stability and sustainability”* They were also taught to view everyday money management skills to avoid debts, so planning and budgeting are the skills emphasised. For instance **P2** says: *Businesses are encouraged budget and to read about everyday money management.* Besides budgeting they are cautioned on the consequences of defaulting which makes debts accumulate. **P2:** *“Basic budgeting to sustain business and businesses has improved”* Businesses are encouraged to read and interpret financial statements so that they may keep track of their finances. **P10:** *“Businesses are encouraged to read financial statement to keep track of their spending*

and also helps in debt management". This way it is believed budgeting would assist them to have financial stability and also sustain their business income.

The main skill which all the interviewees stress is budgeting. It has already been elaborated in theme one and in the literature review NCEE (2005:3) as the central theme for businesses, individual members of the public, employees people of different earning power, students, and young people in and out of school. Gray et al (2010:3) also cite budgeting as one of the resultants of financial education and can influence a positive behavior towards personal finance management. Lyons et al (2006:221) also report budgeting as one of the mostly covered in financial literacy programmes. The interviewees comment that: **P1:** "*Budgeting skills for young people to manage their incomes*"), should be taught the habit of budgeting as an important skill for decision making in all aspects of personal finance. **P15:** "*budgeting and cautionary measures to take before engaging in any financial service*". It is also viewed as a form of empowerment and confidence: **P4:** "*Budgeting- Planning and caution before selecting financial products*" and **P7:** "*Planning finance to give confidence for debt management, manage current income flows and reserving for retirement for future*" The thematic analysis findings are that when done consistency budgeting can give stability and sustainability for individuals and small business entities: **P2:** "*Basic budgeting to sustain business and businesses has improved*" impulses assisting them to be financially stable" **P4:** *Debt and income management by budgeting to live within mean*" and **P5:** *comments as thus: Budgeting has reduced employees impulse purchase*"

5.6.3 Summary of Theme 2 - Stability and Sustainability

In conclusion, other than consumer empowerment another important reason to offer financial literacy is to create personal financial Stability and Sustainability. These have come out in the literature review as the expected outcomes of financial education. People are encouraged to arrive at this stability and sustainability through income and debt management. They have to learn about investment, savings, taxation, management, basic banking and basic accounting. They are urged to have a budget as it helps them focus;

assist them to live within their means and prevents them from buying on impulse or using money without consulting the budget. This too like theme one is one of the reasons why institutions offer financial education and therefore theme two answers the research question: **RQ1**.What are the reasons for providing Financial Literacy initiatives?

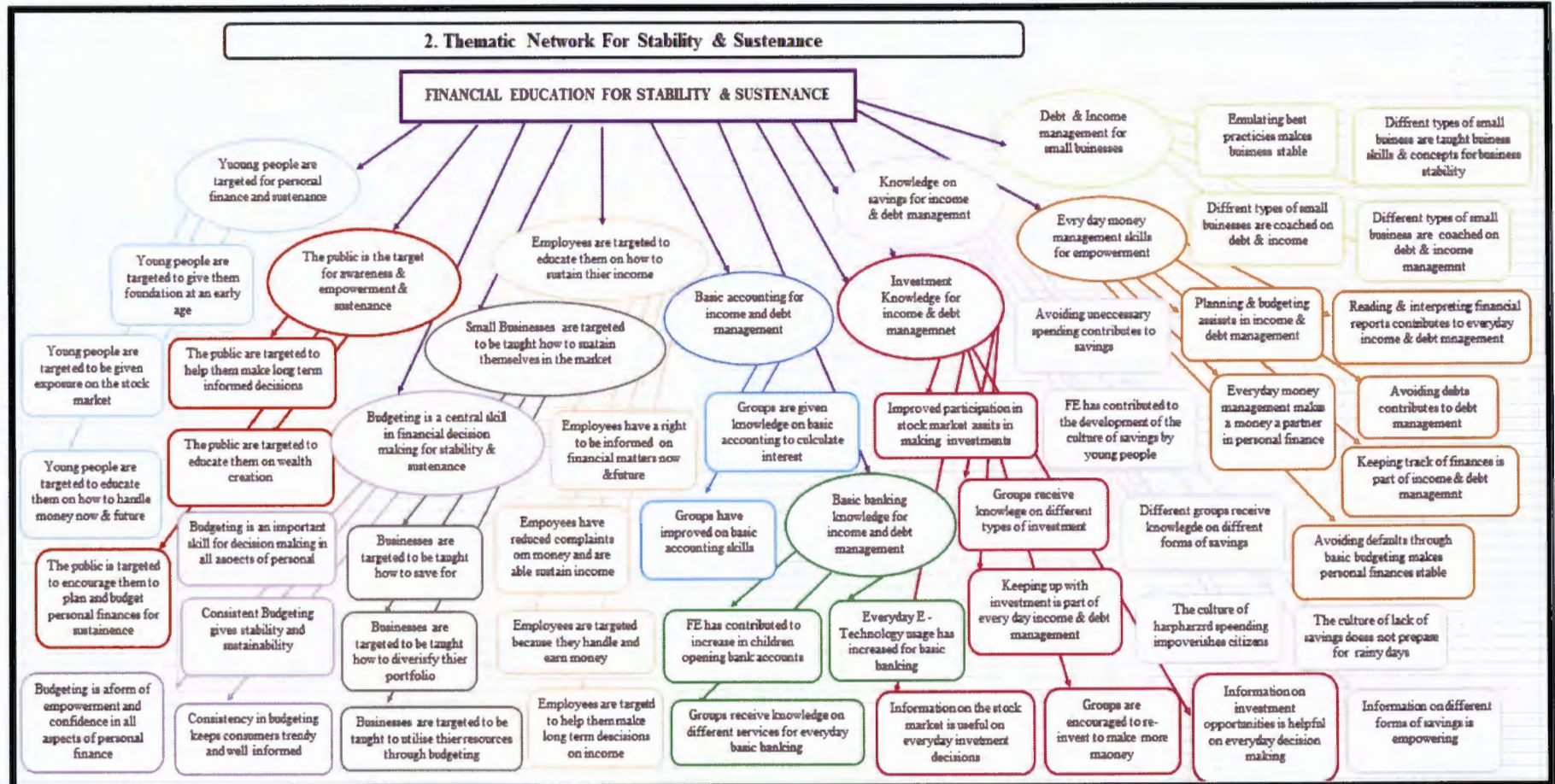
5.6.4 Implications for Quantitative Analysis (Variables)

The theme assisted in identifying the individuals suitable to be respondents for the questionnaire. The target groups are: 1. Members of the public (inclusive of all segments except employees), 2.Young people (inclusive of children, teens, students, 3.Small Businesses, 4. Employees (all types as casual labourers, professionals, temporary workers, permanent and pensionable, contract etc.) The theme aided in identified more areas of knowledge which made more additions on theme 1 implications:

Table 5-4: Variables from Theme 2: Stability and Sustainability

Areas of Knowledge	Focus for the questions
Content Learnt	Investments, Banking, Basic accounting, Loans & Debt Management, Taxation , portfolio diversification,
Attitudes & Behaviour	Type of Investor, level of confidence through self – Assessments on habits and behaviour : habits on spending, borrowing, use of bank cards, behaviours on tracking spending, filling tax, living within means , tax refunds, tax filling, VAT for businesses,
Skills	Performance test on: Budgeting, ability to save, ability to pay liabilities, assets, interest calculation, investment , re investment , financial statements, loans and debts, basic banking concepts and reading of statements: debit, credit

Figure 5-4: Thematic Networks for Theme 2: Stability and Sustainability



5.7 Theme 3 Business Growth

The third identified theme is that of financial education for Business Growth from the thematic analysis and has the following subthemes: 1. *Sales and Marketing*, 2. *Corporate Social Responsibility (SCR)*, 3. *Customer Oriented Service* and 4. *Minimal Costs for Great Benefits*. Monticone and Messy (2011:44) in their research indicated that some purposes of providing financial education could be for consumer protection (*associated with theme 1*), marketing (*associated with this theme- 3*) or financial inclusion (*associated with theme 4*). Corporate Social Responsibility is the highest form of marketing and advertising in which the company gears towards being a part of the society it serves yet at the same time benefiting from such an involvement.

In discussing Corporate Social Responsibility relating to financial literacy Literature advises that: (Vijayan 2006:4) “every financial institution has to realize its corporate social responsibility and act accordingly. The financial market is the cause and effect of our business and hence it is in the best interest of every FI to nurture and educate the society and in turn market.” Sharma and Mani (2013:13) have also noted financial literacy to be one of the new ways of Corporate Social Responsibility in which banks in India give back to the society. This is same for Botswana in some of the institutions visited. The findings therefore are:

1. Sales and Marketing

1. *Financial Education utilised as a vehicle for the purposes of marketing*
2. *Financial Education used for branding companies and FE providers*
3. *Financial Education for Clientele growth*
4. *Financial Education for increase sales and revenue*

2. Corporate Social Responsibility (SCR)

1. *Financial Education as a way of giving back to the society*
2. *Financial Education is relegated to just being a CSR initiative*
3. *Financial Education as a means towards becoming a citizen*

3. Customer Oriented Service

1. Understanding the needs of customers is important for designing products
2. Providing appropriate service is important for customer satisfaction
3. Customer feedback and commending efforts made by FE providers is valuable
4. Customers help businesses know their needs (Shared from Customer Empowerment)

4. Minimal Costs for Great Benefit

1. Costs are quite insignificant and so not easy to quantify
2. Costs are covered by planning and resource sharing model
3. Costs are absorbed by agents and marketing activities
4. Minimal costs are incurred on production, transportation and reaching out to rural areas
5. The costs are lower than the benefits

The following are a summary of the above findings in tabulated form:

Figure 5-5: Summary of Theme 3 Business Growth



5.7.1 Sales and Marketing

Most of the providers have financial education driven by the Marketing Departments as they view financial education as a vehicle for the purposes of marketing: **P1:** “Meant as ways for branding awareness gain ground in the market” **P3:** “Assists target audiences but mainly meant for brand awareness” **P6:** “Brand awareness has increased and able to compete with others in the market” **P7:** “Brand awareness has increase” **P8:** Now an accepted as a brand in the country, **P9:** “Increase in brand awareness has been noticed and is now competitive” This therefore means financial education

used for branding companies through planned or latent ways. One another point discovered from the thematic analysis, companies report clientele growth and that there has been increase sales and revenue. **P3:** *“Increase in clientele especially group clients after presentations”* **P4:** *“There has been increase clientele growth, which means increase in sales & revenue”* **P6:** *“There has been increased clientele especially from union”* **P7:** *“There is increased clientele as well as reduction in cancellations, defaults contributing to sales & revenue”* **P8:** *“Increased awareness shown by call-ins & drop in clients after the show”* **P9:** *“Clientele growth especially those with increase financial literacy”*. As clients grow and there is increase in sales and revenue it is believed to growth hence: Financial education through Marketing for Business Growth.

5.7.2 Corporate Social Responsibility

Interviewees report financial education to have its place in the organisation: CSR and Marketing **P1:** *“Financial education is a marketing activity under Corporate Social Responsibility initiatives”* and those that are structured under marketing are for: **P3, P4, P6, P12, P13, P14, P16, P17, and P19**. It may reflect that the financial literacy initiatives are mostly for marketing purpose but it still reflected from discussing the benefits during the interviews that the issue of Corporate Social Responsibility is prevalent. The rest are under Customer Care, Operations or Clients’ Relation, which has made part contribution to this theme during the thematic analysis for the sub heading: “Client Oriented Service”

Some are of the opinion that financial literacy programmes are merely relegated to CSR and therefore not given the attention it deserves. The comments from interviewees are: **P9:** *“Mostly just a CSR activity and the level of financial literacy improving but still quite low compared to other countries”* However this discerning opinion, the main aim of these CSR initiatives as has been deduced from the thematic analysis is to give back to the community and societies within which the companies share the environment-**P1:** *“The organisations views itself like a citizen and a part of the whole communities where it serves”* **P2:** *“A Corporate Social*

responsibility initiative which accords the organisation the opportunity to give back to the community”**P3**: “The cost quite low as it’s a way of giving back to the society”**P4**: “contribute to the society but get great benefits of clientele increase” and **P9**: “Worth continuing to educate the clients that the company serves- giving back to the community” Through this businesses believe to be understood by these communities and therefore become part of them hence financial education used as a means towards becoming a good citizen. This strategy ultimately assists in business growth as CSR initiatives are undeniable also marketing and branding strategies.

5.7.3 Customer Oriented Service

The providers have the understanding that the needs of customers is important for designing products as they get feedback from the clients on the products and services. Mason and Wilson (2000:5) highlight that customers begin to ask questions and demand better service as a result of financial education. Frączek B and Klimontowicz (2015: 63) too make a point that financial education helps businesses to understand of customers’ rights and obligations. This is because such feedback assists businesses in providing appropriate service which is important for customer satisfaction. **P11** “Feedback assists to understand customers better”, **P1** “Evaluation helps understand clients better” **P3**: “Interactions help to understand clients better” **P4**: “organisation knows the clients saving habits better” **P6** Clients understand services and products, **P7** “some questions help to understand the services they need” Some of the recipients have even given feedback commending efforts made by financial education providers. The thematic analysis assist in interpreting that empowered customers help businesses know their needs. Consequently if businesses know the needs of the customers it becomes easy to serve them.

5.7.4 Minimal Costs for great Benefits

Any programme or initiative needs funding: funding for transportation, materials, payment of trainers, payment of programme designers etc. As much as there are costs, it means there is investment into the activity so there are expectations on return not only for the recipient but for the

providers. Some of the benefits are those brought about by marketing which has already been discussed above. The following therefore is what has been deduced about costs versus benefits: 1. Costs quite insignificant and so not easy to quantify: **P3**: highlighted this by saying: *“Costs not easy to quantify as they are just covered by the marketing budget”* while **P14** says: *“Not significant – included under marketing costs”* **P11**: *“Training by regions expensive – there are high transportation costs to reach rural areas, but still costs quite less compared to benefits”* **P3**: *“Costs assumed are quite lesser than the benefits and therefore worth continuing”*, **P17**: *“Minimal costs Covered under advertising and Marketing”*

2. As these costs are either minimal or not so significant to quantify they are:
2. Covered by planning and resource sharing model and these are the findings from interviewees: **P4** *“Quite minimal covered in marketing and advertising”* and **P5**: *“Only costs that cannot be avoided are incurred but programme uses minimal cost”* **P6**: *“Costly to reach places that are far from city or branches, but programme worth continuing as it costs lesser than benefits it brings”*. **P10**:*“Covered by operational cost and some can be avoided by planning and sharing of resource”* **P12**: *“The costs are incurred as part of marketing & there are competition prize costs which cannot be avoided and not expensive”*

In most instances costs are embedded in other activities - 3. Costs are absorbed by agents, sponsors, marketing or other activities. This is what the interviewees confirm: **P1** *“Usual costs like transport cost and accommodation for presenters if area is outside the city, but mostly covered by marketing budget”*, **P1**: *“Payment of space and time and so mostly covered by marketing & advertising”*, **P20**:*“Has attracted attention and therefore opportunity to have funding from other institutions”* , **P7**: *“Marketing costs but most absorbed by agents who go about doing the presentations”***P8**: *“costs on production costs absorbed by customer services unit”***P9**: *“Covered by operations costs like transport cost and advertising costs but quite less than benefits”*, **P13**: *“Covered under marketing costs and quite lower than the benefits”* **P15**: *“Just operating costs that cannot be avoided as it is part of the*

mandate, shares resources with other department” P16: “Production cost only but funded by a sponsor”

All the interviewees report greater benefits than costs and in attesting to these statements of “Minimal costs greater benefits” the following is what they narrated **P3:**“*Financial education contributes to brand awareness*”. *There has also been a notable increase in clientele especially group clients after presentation”* **P2:**“*The Benefits are greater than costs and worth continuing for Corporate Social Responsibility- to give back to the community”***P1-**“*Gives company opportunity to reach a mass and increase its clientele”***P4:**“*Increase in loan management for individuals helps organisation to recover its funds; there is also increase of clientele who save”*

5.7.5 Summary of Theme 3 Business Growth

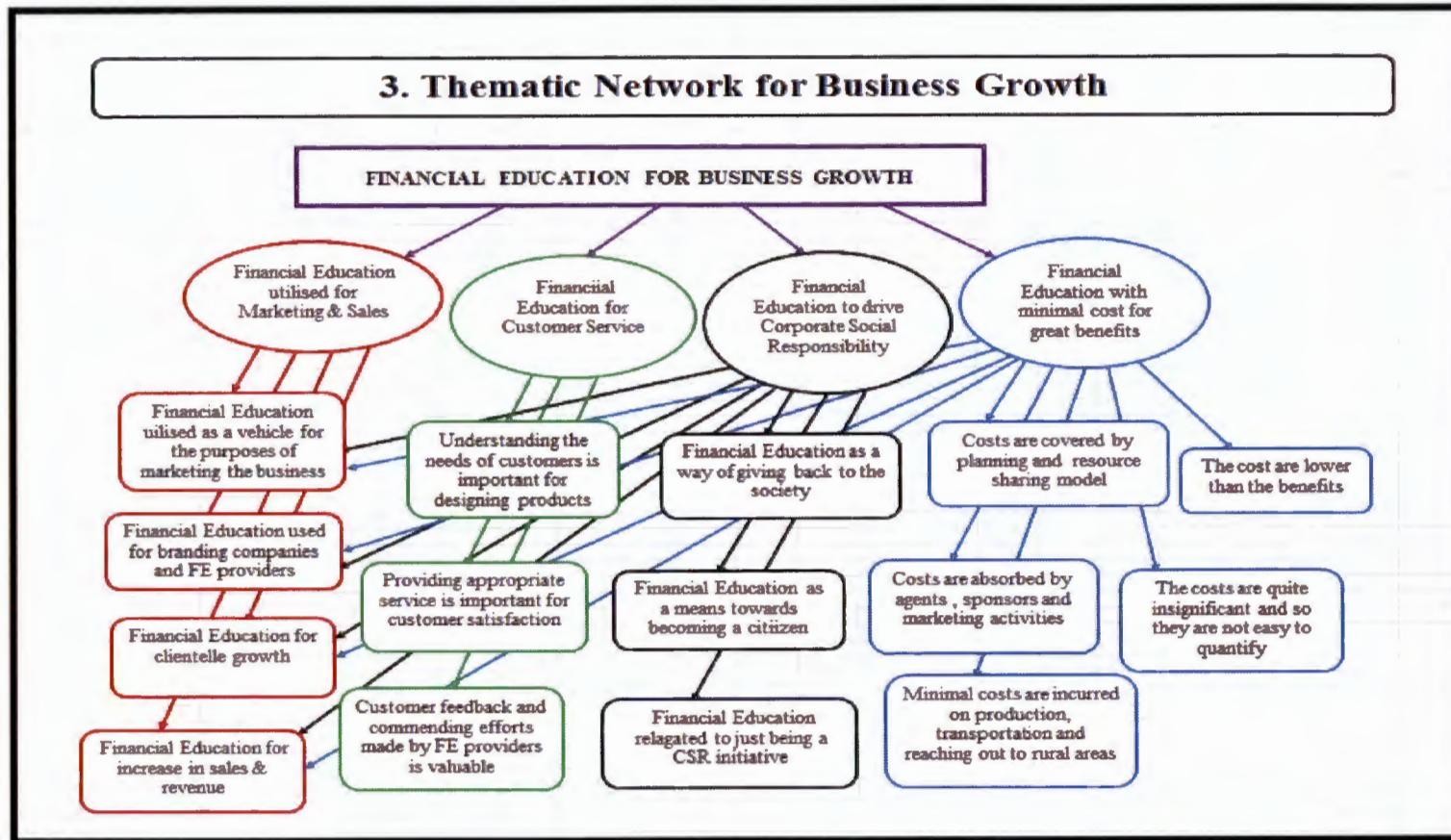
This theme has demonstrated that financial education providers also benefit from the initiatives or programmes: The programmes are used as an instrument for marketing and branding of the company or organisation. These initiatives may be part of Corporate Social Responsibility or are placed under marketing and sales. Most of the organisations run these initiatives at very minimal cost yet contributing great benefits. Over and above this, the initiatives provide an opportunity for customers to give their feedback which is consequently turned around to give customer oriented service. The theme also gives one more reason to enhance financial literacy initiatives: Financial Education for Business Growth from marketing, CSR and a customer oriented service. Therefore theme three also answers the question: **RQ1.**What are the reasons for providing Financial Literacy initiatives?

5.7.6 Implications for Quantitative Phase (Variables)

There should be some important questions included in the questionnaire derived from the following areas: Loan and debt management, Savings and change in saving habits. The theme has also reflected that there is need to make a Confirmatory Factor Analysis to confirm if there is impact of the knowledge on the consumers: Have the businesses given back to the

society? Are the customers aware of the services they need from the companies? Are the customers confident and do they have awareness?

Figure 5-6: Thematic Networks for Theme 3 Business Growth



5.8 Theme 4 Inclusive Financial Education

Inclusive financial education is one of the common themes in the studies and researches on financial literacy. In this study theme four on inclusive financial education is one of the outcomes of the thematic analysis conducted. This provokes a discussion of the concept of “Financial Inclusion” Operana (2016:2) answers the question “What is financial inclusion?” by saying “*Financial inclusion is “a state wherein there is effective access to a wide range of financial products and services by all”. The basic products and services include savings, credit, payments, insurance, remittances and investments, among others, for different market segments including the unserved and underserved.*” Since the word reach out recurred so much in the codes the questions are: 1. Who is being reached, and 2. how are these people being reached by the financial education providers. This theme answers the questions from the following sub themes: 1. reaching out to different people and 2 reaching out through different methods. Therefore the findings are:

1. Reaching out to different people

1. *Financial Education initiatives target all types of Income Earners*
2. *Financial Education initiatives target young people in and out of school*
3. *Financial Education Initiatives target different age groups*
4. *Financial Education Initiatives target people of different educational background*
5. *Financial Education initiatives targets all kinds of gender*
6. *Financial Education is customised for Affinity groups*
7. *Financial Education targets employees in different settings*

2. Reaching out through different methods.

1. Interactive methods are effective to reach out to different segments

- a) *Edutainment to reach out to young people*
- b) *Delivery through mass communication for mass outreach*
- c) *Interactive methods provide a platform for instant feedback*
- d) *Interactive methods have to be suitable for the target group*

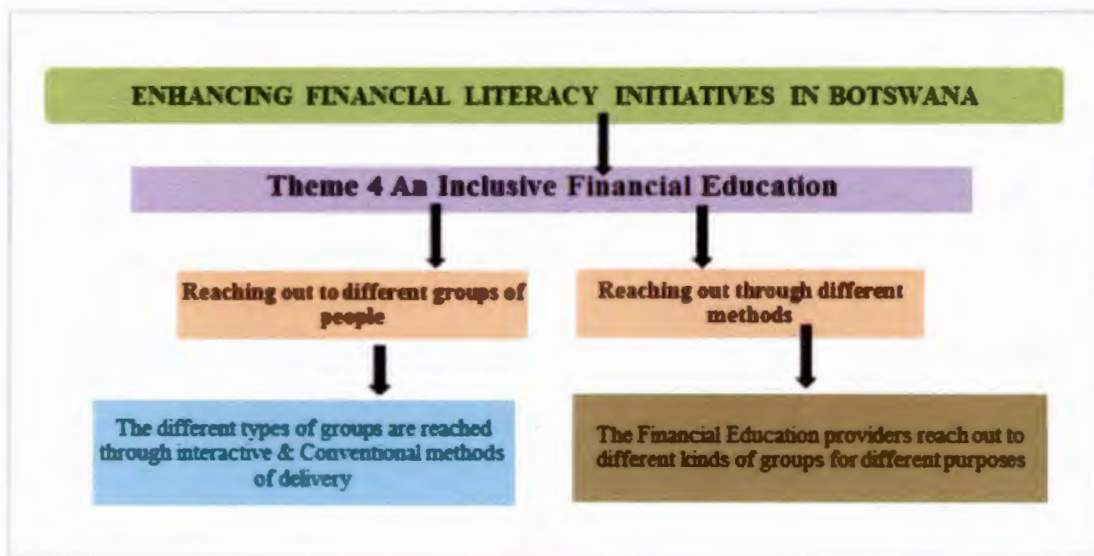
- e) *Interactive methods are involving and provoking*
- f) *Mass Communication strategies are desired as future methods*

2. Conventional methods are effective to reach out to segments

- a.) *Classroom methods are still relevant to different groups*
- b.) *Psychosocial methods are suitable and effective for private clients*
- c.) *Modularisation of financial concepts for self-Learning*

The following is a summary and pictorial representation of the theme four: Inclusive Financial Education:

Figure 5-7: Summary of Theme 4 Inclusive Financial Education



5.8.1 Reaching out to Different People

The thematic analysis has identified different financial literacy initiatives which target different types of groups. The findings are therefore: different types of income earners, different age groups, and different educational background, affinity groups, and some are employees of different setting and profession. It is also observed therefore that financial literacy initiatives target all types of Income Earners The different types of Income Earners who are Low Income Earners (LIE) involving for instance students, temporary workers

and casual labourers, Medium Income Earners (MIE) and High Income Earners (HIE). The following interviewees target people of all types of earning power. Some of the interviewees narrated this: **P1:** *“young people in and out of school, young adults of low to high earning power”* **P2:** *“Low income earning small business group of people”* **P3:** *“Different segments of earners: Low, medium and high”* **P4:** *“Different types of earners from low to high”* **P5:** *“all types of earners –Low, medium, and high income earners”* **P6:** *“Targets institutions with different employees of low to high income earning groups”* **P7:** *“Different segments of Low to high income Earners”* **P9:** *“Targets all ages, men and women, young adults and all income earners”* **P10:** *“Targets mostly small business of low income earning category”* **P11:** *“Targets Mostly unemployed and low income earners”* **P12:** *“Targets all members of the public which has segments of people of different ages and earning power”* **P14:** *“Targets people of all ages and earning power so long they want to make investment”* **P16:** *“Targets all ages, all genders, all types of income earners”*, and **P18:** *“Businesses and members of the public especially that have taxable income”*. The interpretation is that different types of income earners in Botswana are targeted for financial literacy initiatives. This is unlike what the literature review has revealed indicating that financial literacy initiatives mostly focus on Low Income Earners (Lusardi and Mitchell 2008:1), or that financial illiteracy is widespread among low income earners, the poor and the illiterate groups (Lusardi and Mitchell 2008:1). This also contracts the subgroups or segments by Wyatt (2009:3) which only reveal: low income, but employed, unemployed but with social welfare support, Irregular income through Informal/ Subsistence. The interpretation is that in this research medium and high income earners should be an addition of the subgroups to be investigated in the quantitative phase of this study.

In addition to targeting different people of different kinds of earning power financial literacy initiatives target professionals. These different employees also include those with high earning power. This is because employees with high income also need to be empowered to make informed decisions. These different types of earners, professionals and employees appear in different settings. Since financial education targets employees in different settings,

there should be customised financial products for employees in corporate sector, for parastatals employees, and for government employees and customised financial products (schemes) for Unions. Some of these employees or different people belong to different affinity groups and as a result financial literacy initiatives in Botswana target belonging to Non - Governmental Organisations, associations and Unions. From the narratives those who target members of Unions also include reaching out the employees: (P12 and P18). This is also so of those who target different groups or different segments: (P3, P7, and P11), others also just mention “different income earners”- (P2, P3, P4.P6, P7, P14, and P16) and employees may be in the category of these (low, medium or high). However there are those who are very specific to employees because their initiative or programmes are specifically purposed for employees. They recount as thus: **P8:** “All types of employees and all earners, **P15:** *Employees of different earning power, mostly government employees called former industrial class of low income earning power* **P19:** “All types of employees of different earning power (low and high income earners)”**P20:** “Youth employed and unemployed” The reasons mostly cited for reaching out to employees are that:” **P5:**“Target internal and external to build their confidence in managing money” hey add to say: **P5:** “Employees handle money and it is only right to discuss money matters”. P8 focuses on the reasons of retirement **P8:** “Employees often misuse money till it is too late and they have reached retirement age”. This is added up by **P9:** “Employees must plan for retirement and sustain their incomes” some mainly focus on government employees like **P4 and P15**. **P4:** “Targeting government employee to empower them, encouraging them to have financial stability and **P15:** “Government employees and industrial workers are the main consumers of financial products with the most complaints received about money at the work place” **P19:** “Employees handle money, make mistakes and make uninformed choices –they empowered to handle money and make informed decisions.” The results of these programmes and initiatives have been reported above under the theme consumer empowerment.

They are of different ages (young and older), with different educational backgrounds belonging to different genders (identifiably males & females) identified. The interpretation therefore is that financial education providers reach out to all ages – the specific providers reach out to different ages depending on the group they have targeted. This is what has brought this conclusion from the interviewees: **P2:** *“All peoples in business or who intend to do business, all ages and gender inclusive”* **P3:** *“Different groups with people of different ages and different earning power”* **P4:** *“Targets all people, all ages, and gender inclusive”* **P5:** *“Inclusive of everyone all ages”* **P7:** *“Targets everyone: includes all ages and gender”* **P8:** *All ages, gender inclusive* **P9:** *“All ages, men and women, young adults”* **P10:** *“Varied groups of different ages and educational level are a target”* **P11:** *18 years and above, both males and females,* **P13:** *All ages and gender inclusive”* **P14:** *“People of all ages...”* **P15:** *“The programmes reaches out to different segments and covers a range of ages”* **P16:** *“All ages, all genders,* **P18:** *“Varied according to group but all ages and gender inclusive”* **P19:** *Different age groups and gender inclusive.*

Another characteristic of the people who are reached for financial education are their age. Financial literacy initiatives therefore targets children and young people in and out of school: some are reported to be in tertiary institutions and secondary schools both junior and senior. These are mostly among the Low Income Earners receiving allowances from government or parents. This is narrated by **P6:** *“Targets youth, as most are low income earners from allowances (parents & government and casual or temporary work”* and **P17** says: **P17:** *“All ages as it includes university students (6 – 35), gender inclusive, low income earners (students are usually low income earners”* In addition this is attained from **P13:** *“Targets mainly youth: products are made available for low income earners including youth”* and obtained from **P20:** *“Teens and young adults from unemployed to low income earners.”*

Some work as casual or temporary employees receiving minimum wages. **P20:** *“some teens do casual work while some young adults may be employed*

as casual or on temporary basis” As stated above most of the interviewees narratives indicate that initiatives reach out to all ages and gender, it means the young people are included. However some interviewees were very specific about children and young people: **P1:** *Children, teens, young adults who may be of low to high earning power*” **P6:** *“In institutions it targets everyone to include all ages and as for young people, those who can open accounts under these ages: 0-12 segment- children and 13-24 segment- older teens and young adults ”* **P12:** *Targets Teens usually senior school students who are 15-20 and is gender inclusive*” **P20:** *“12-25 years targeting youth in and out of school”* The interpretation is that, they are included to benefit from financial literacy initiatives because they need to manage these allowances as those in tertiary institutions even pay rent or are responsible for their general up keep. As young people too they are affected by financial environment as the literature analysis attests: “For young people living in poverty, greater financial inclusion and capability can strengthen their own resilience to economic stress, which in turn could help break the vicious cycle of poverty (Ramirez 2015). Among these young people there are children, teens, and young adults at different levels of education belonging to different genders (identifiably females and males).

5.8.2 Reaching out through Different Methods

It has been observed from the analysis that there are two organising themes involved: 1. *Interactive methods are effective to reach out to segmented groups* and 2. *Conventional methods are still effective to reach out to segmented groups*. These methods are also matched with the target group to indicate their suitability such that the answer to the question, who is being reached is synched with the answer to the one: how are they reached?

5.8.2.1 Interactive Methods

Relating to suitability of methods to target group this observation mines out the value of interactive methods which is outlined to be: 1. *Interactive methods have to be suitable for the target group*, 2. *Interactive methods provide a platform for instant feedback*, and 3. *Interactive methods are involving and provoking*. From the first point on suitability of methods relating

to target group face to face interactions are suitable for private clients. There are institutions which have segmented groups in their market reach and one of such groups is private clients. Selected bank representatives have meeting with such clients and it is reported that the methods used is that of face to face where they are allowed to ask questions and freely discuss products and services they desire. During this discussion the clients are given the opportunity to provide instant feedback on how their services may be customised to their needs. These are the narratives which contributed to the findings in this aspect: **P1:** *Private Clients – face to face interaction is effective as they like specifics & their privacy* **P2:** *“Allows them (private clients) space to be free and ask questions”* **P3:** *“Face to face interaction is suitable for Premier & Private Clients as it is customised to their need for privacy freedom of expression from other peoples”* and **P8** says: *“Face to face interaction for is suitable for individuals who want privacy and counselling, make them free to asks questions’.* **P14:** *“Face to face interaction with trustees”* The interpretation is that the private clients and trustee are people of high level income and therefore would not wish to waste time or that financial institutions give them the privileges of freedom and privacy for return of their huge investment portfolios. This is also so because they are not many like the mass or affinity where there is need for group public addresses.

Presentations are also thought to be suitable for small groups and professionals. They are viewed as part of conventional methods but if used to ignite discussions, they can be turned into an interactive method. When presenters ask questions and have clear tasks to be done by the participants they can be thought provoking and provoke participants to play an active role during learning. The following was contributed by the interviewees on presentations: **P1:** *“The method is effective as the group is able to interact and ask questions”* **P2:** *“Presentations suitable to groups of people in companies to allow them to ask questions and contribute to discussions”* **P3:** *“Presentations suitable for scheme (groups like unions) clients segment, as they provoke them to ask questions”* **P4:** *“Presentations effective for the*

public as the discussions after presentation they provoke questions, they are also effective for small groups in government & corporate entities”

P5: *“All methods like presentation for groups provoke discussions creating a platform for sharing ideas”* This also echoed by **P18:** *“Presentations quite effective for small groups. Good for asking questions involves groups”* In addition **P6:** *“Presentations effective for public and group and effective if coupled by discussion as they allow interaction”* The interpretation is that presentations are not effective on their own but they need to be coupled by discussions, questions and debates to make them interactive and interesting. **P7, P9: P10: P11: P13 P14: P15: P16: P17: P19: P20:** *“All methods effective, presentations best for small groups”* **P8:** *“Presentations for groups is effective and provokes questions if discussions are allowed afterwards”* It has been however been pointed out by **P12** that presentations prove to be no suitable for kids because they do not have a long concentration span to listen: **P12:** *“Presenting to kids is not effective because of their short concentration span”*. The interpretation is that the age and the concentration span of the group may also determine the method of delivery. Therefore, as the literature review (Lusardi and Mitchell 2009:2, Cohen and Nelson 2011:11) advises and imply that the different demographics must be considered.

In addition to presentations the media related methods are suitable for the public and mass. Delivery through mass communication is becoming suitable for mass outreach: delivery may be done through radio and television, or through print media, while public campaigns to suitable to reach the public on particular topics. The public campaigns commonly used are that of: *exhibitions, road shows, fairs, open days, radio and TV call- ins.* The interviews have this to say: **P3:** *“Empower the mass and the public through radio or television”* **P4:** *“Reaching the public during public campaign open days” but it is a challenge to for selection of content as sometimes it may not be known what the public would like to know about: P4:* *“A challenge for Public campaign as sometime you may not know what the public wants therefore content suitability is assumed”* **P5:** *“Radio programme call ins by*

members effective for the public and mass outreach and give platform for interaction”**P12:**“Road shows, television messages, and open days suitable for the public and mass outreach” **P16** also says : “Television for mass outreach” **P13** “Use of mass media like television and radio and newspaper spreads for the public”**P14:** Presentations, debates and discussions are suitable for the public - especially budget speech by Minister of Finance” **P15:** “Exhibition and presentations are suitable for public campaigns” **P17:** “Road shows, exhibitions and television effective for public campaigns and students”

Besides suitability, these interactive methods are observed to provide instant feedback: Use of You -Tube (**P16:** “Television programme quite effective and the programme is trending on You Tube”) helps obtain instant feedback, SMS are platforms which assist in getting written feedback during the television programmes, presentations and discussions give instant feedback: **P14:** “Discussions and debates give instant feedback from customers on the products customised to their needs to them/sold to them. Radio and Television call-ins give prompt feedback. The interviewees made the following contributions on Feedback: **P2** “There is feedback the messages got from clients about the television programme and the calls indicate that their businesses improved” **P2:** continue to attest that: “The SMS indicate they have enjoyed the show and need more knowledge” **P6:** “Feedback assists on how to answer questions during campaigns and presentations” **P7:** “Feedback from clients and the questions asked during presentations led to the company deciding on a comprehension financial literacy programme before end of year” **P9:** “Instant feedback is given during discussions after presentations that some presenters not quite good and need training” The interpretation is that, feedback is important in knowing if the target groups have been reached, and discovering their level of understanding during the impartation. This assists presenters, guests and experts to explain further or think of the next course of action for the initiative. While providing such feedback the attribute of interactive methods being thought involving and provoking is realised as during the process these methods ignite participants’ interest in making them debate or ask questions. This has been realised in

the presentations, (e.g. **P1, P2, P3, P4, P5, P18, 6,**) and the face to face interactions (e.g. **P8, &12**).

Another method which is perceived as interactive is Edutainment. Although **P14:** uses fun fact for its trustees the method is viewed by most as an interactive method suitable for young rather than older people. Other than this suitability the method is both interactive and provoking. Financial education in this instance is delivered through songs, competitions, plays and through mock business activities. The advantage of using this method is that young people are thought to learn better through play, it involves them and kindles interest in them to participate. **P15:** *“Edutainment for youth learning through songs and plays is quite effective”*, **P20:** *“Experiential modes of learning which allow mock business, songs and plays are effective for youth: they allow interaction”* This method is also highly recommended as the method for future. The literature review also encourages competitions, plays and songs as OECD/INFE (2015:83) states that: “Embedding financial education in games and competitions is also increasingly adopted when targeting young people”. They emphasise this by giving the example:

“In Portugal, the National Council of Financial Supervisors, in partnership with the Ministry of Education and Science, organise each year a national competition for schools, rewarding the best financial education projects for each stage of education; in Turkey, the Ministry of Education provides financial education in the context of art classes”

Besides the current methods used, the interviewees narrated existing methods which may be enhanced for future use and those which are completely new and may be adopted. Some also relayed the reasons why these methods are suitable for different segments for example: **P1:** *“Use of social media to reach young people as they are fond of the media and it is trendy*, **P2:** also states that: *“Use of social media for young people as it is trendy”* The reasons for **P3** are that: *“Use of social media for young people to provoke interest in personal finance”*. Other interviewees with the same opinions are: **P4:** *“Social media for young people to attract them”* **P9:** *“Social media for the youth”* **P13:** *“Social media to attract the youth into personal*

*finance as they like the medium” P14: “Social Media to keep with the e-tech trends- young people like it”. The rest also share the same sentiments (P15, P16, P17, P18, P19, and P20). This is because all the interviewees have mentioned young people as their audience among the segments targeted for their financial literacy initiatives. The interpretation also is that young people learn through playing, or through methods which are interactive and provoking. This communicates that young people should learn in the mode appropriate with their way of life or with what is in fashion. Children also learn by playing which gives the interpretation of experiential learning for children and young people. P12 has this to say about children: “Edutainment shows for kids, as they learn by playing” It is in the literature review analysis that experiential learning by Lyons and Neelakantan (2008:109), Shockey and Seiling (2004:48), and Xiao *et al* (2004:91) is encouraged. Many more researches Ozmete and Hira (2011:388), Berriche Salerno and Calciu (2014:594, Berriche Salerno and Calciu (2014:589), Meijer, Verloop and Beijaard (2002:146), Rowley, Lown and Piercy (2012:48) also support experiential learning using the Trans Theoretical Model (TTM) stages in the personal experiences. Some of the interviewees feel many methods have been explored and had no suggestions at time of interview like (P5, P10, and P11). Even though P15 have explored a variety they promise to keep up with the trends and reiterates on edutainment for youth: “Most methods have been explored – will keep up with the trends to reach the audience- especially youth with edutainment”*

More future methods other than social media have been proposed by interviewees as is shown narrated by some: P9 sharing the same idea as P18 suggests: “Road shows for public campaigns”

P17: *‘Use of schools competitions’* This to follow on P12 who propose more edutainment for kids viewing competitions as “a method which needs to be enhanced for future utilisation especially in schools.’ These are interpreted to be interactive and provoking the spirit of research and independent learning from students. In addition some like P19 and P20 recommend “Online interactive group sessions” This is interpreted as appropriate for interaction and that people currently seem to be fond of the social media groups: **P16:**

“Live shows to increase interaction with public” **P4** also view talk shows a method for future *“Talk shows to evoke debates from the public”* The same is thought so by: **P16:***“Live talk shows on television and more radio call in shows”* There is therefore the desire to use new technology and more of mass communication in future. **P8** and **16** propose: *“Interactive website”* This indicates technology and mass communication to be desires for future hence also indication of emphasising the value of interaction not only in the currently used methods but for also for future methods of delivery. Other interviewees have this to say: **P6:** Road shows for public campaigns **P6:** *“E-Technology for the young generation”* **P6:** *More Radio and Television shows for the public,”* **P7** *“More Radio and Television shows for the public: the company intends to have a radio before end of year”,* **P12:** *“More Radio and Television shows”* and **P13** also suggests: *“Use of more mass media like television and radio, and newspaper spreads for the public”*. Some are not technology or mass communications oriented but are psychosocial yet interactive as **P8: says** *“More of Financial counselling like in South Africa”* These are discussed further in section on conventional methods.

5.8.2.2 Conventional Methods

The results show conventional methods as still effective to reach out to segments. They may be conservative or have been common to use but it has been observed that they also show suitability for different types of groups. Some also carry the characteristic of being interactive. The following has been obtained from the analysis:

1. *Classroom methods are still relevant to different groups; different conventional methods are still utilised, methods such as: Presentations, lecturing, discussions and group. Presentations as outlined above are effective but that is if coupled by discussions. P20 still use lecturing for their target groups because as they say: “Lecturing is still relevant to give explanations in seminars and workshops”* However one of the oldest methods of instruction being lecturing has been termed as “not effective” by **P1:** *“Lecturing however is not effective as it does not involve them more”*. The classroom instructions, workshops, and seminars have been discovered by

Atkinson (2008:70) as commonly used and prevalent in most of the initiatives. This has also been discovered by Hastings Madrian and Skimmyhorn (2012:30) who write that of much of the literature on financial education focuses on traditional, classroom based courses.

2. *Psychosocial methods such as financial counselling are suitable and effective for individual and private client.* The interviewees who support these methods are (**P2, P3, P9, and P14**) especially for face to face interaction being effective. **P8:** advocates for counselling and that it has to be introduced in Botswana and to be utilised in the same manner as in South Africa. This is supported by the literature review with authors like Cohen and Nelson, (2011: 21) indicating the suitability of the face-to-face interactions and credit counselling for participants contributing directly to learning the skills and knowledge, personalizing the experience and giving direct response. Other authors such as Miller and et al (2009:11) have also realised that.

3. *Modularisation of financial concepts is suitable for different people for self-Learning.* The following is what the interviewees narrate about the method: **P1:** “*Modules are effective as they encourage self – reading*” and **P20** says: “*Module for workshops and seminars are suitable for employees so that they may read on their after presentation*” According to Lusardi and Mitchell (2009:2, special modules can be designed for particular groups.

5.8.3 Summary of Theme 4 – Inclusive Financial Education

This theme answers the questions: Who may benefits from enhancing financial literacy initiatives? What are the reasons for reaching out to the target groups? How may beneficiaries be reached so they benefit? Financial literacy providers reach out to people of different background, gender and age. They reach out to employees, to different kinds of earners, to affinity groups and to children. The main reason to reach them is that they handle money and need to know how to use it. The Providers use a variety of methods mostly interactive methods but in so instances they still use conventional methods. Among the list of the proposed methods social media

is frequently uttered by the interviewees. Some though have nothing proposed during the time of the interview as they felt they have explored a variety of methods: (P5, P10, and P11). One method popularly advocated for children, students, young people or youth is “edutainment” which is believed to be appropriate for their age and their mode of learning. The methods therefore answer the question: How are these beneficiaries reached by the providers? Many different methods have been thought to be effective depending on the target group and content delivered. This follows on what the literature review has also highlighted indicating methods to be suitable and contextualised to the groups: (Cohen and Nelson 2011: 11, Miller and et al 2009:11). This is interpreted that Trainers should exercise flexibility in their selection for both content and method of delivery. Theme four therefore answers the research question: Q3 How can financial literacy is enhanced initiatives in Botswana?

5.8.4 Implications for Quantitative Phase (variables)

The beneficiaries of financial education are different segments in the society. The implication about the beneficiaries gives the respondents of the quantitative research. A question on how they may wish to learn is included so that the research may indicate if the providers are using the appropriate mode as per the target audience perspective. Another pertinent implication is that financial education must be administered during the different stage of life as stating from early childhood. It has to be delivered to school going children from kindergarten, junior secondary school, and senior secondary school up to tertiary level. Then it must be received by young adults, adults and then retirees. This is supported by OECD/INFE (2015:83) “This approach recognises that financial education can be more powerful when provided at critical points in the lives of individuals, in order to seize “teachable moments”. They further explain this by saying: “The teachable moments harnessed by life-cycle approaches may vary according to specific national circumstances but are typically linked to key steps in the personal and financial lives of individuals and households such as independent living, marriage, buying a home, the birth of a child, or pre-retirement.”

The table below indicates these respondents:

Table 5-5: Variables from Theme 4: Inclusive Financial Education

Beneficiary (Who is reached?)	Reasons (both explicit & implied)	Methods of delivery most appropriate
Private Clients	They need privacy High Income Earners also need information on how to invest, save or diversify their portfolios	Face to face interaction in close proximity (private) Financial Counselling
Children	Give foundation in personal finance so that they may know what to do in future	Social Media E- Technology Edutainment
Students	They also handle money and some are employed casually or on temporary basis	Social Media E- Technology
Young Adults	They are employed in different ways and some are faced with the difficulty of being independent from parents – starting new life	Social Media E- Technology
Different Income Earners LIE MIE HIE	Every kind of earner needs to be empowered, needs to be informed needs to save, needs to invest, needs to diversify portfolio, needs to	Both Interactive methods conventional methods
Employees in different setting earning different income, background, different age & gender	Employees handle money	Presentations Seminars Workshops
Affinity Groups – especially Union Workers, Former Industrial Class	Financial providers are concerned about marginalised groups: Unions, associations and low Income Earners such as Former Industrial Class Workers.	Both Interactive methods conventional methods Mostly Presentations and discussions
People of different ages and gender	Financial education Providers do not discriminate against any gender – inclusive financial education for all genders	Both Interactive methods conventional methods
People of different backgrounds	All people educated or not need to know how to manage their personal finances- all need information and need to be empowered.	Both Interactive methods conventional methods
Small Business Persons	They need to know how to make their business grow and also utilise well business income	Seminars (workshops) Presentations Public campaigns
Members of the Public and Mass	Financial education providers are concerned about the public – public interest	Public campaigns Road Shows Radio and Television Shows Public debates and Presentations

5.9 Theme 5 Measurement and Evaluation

Measurement and evaluation is one of the ways observed from the analysis to play a vital role in enhancing financial literacy programmes. The literature analysis emphasised the value of Measurement & Evaluation and how it should be conducted to improve financial literacy initiatives all around the world: According to Atkinson and Messy (2011:2) measurement as important in assessing the populations' level knowledge in trying to understand their behaviours with regard to their finances. The idea is to identify potential needs and gaps in relation to specific aspects of financial literacy, as well as identifying groups at risk. The values of Measurement and Evaluation is emphasised by authors such as Lusardi and Mitchell (2013:44) and Xu and Zia (2012:24) or the value of measurement to be conducted in developing countries (Gale and Levine 2010:2). According to Organisation for Economic Cooperation and Development (OECD 2006:5) it should be viewed as a first order concern for policy makers, to validate achievement of the objectives. Huston (2010:296-297) says that it must receive attention in research and Yoong and et al (2013:38) deem it as a powerful tool to check the accomplishment of the objectives of the programme.

Some authors like Huston (2010:296-297) give emphasises on *how* financial literacy is measured, while others such as Siegel (2011:15) view measurement and evaluation as complex form of research that can have in itself many different purposes but its overall goal is to assess the impacts of programs, policies or legal changes and to determine whether they have achieved its intentions. The practical focus of the assessment is to communicate the results and their implications to clients and decision-makers for the future development of the program or policy. These are sentiments shared by Yoong and et al (2013:38) stressing on the value of the right tools for the right purpose of measurement and evaluation. Others like Westat (2010:4) focuses much on the application of the results of the research because they say: "evaluation provides information for communicating to a variety of stakeholders. This information is used in decision making and might even have policy implications that may bring new laws and regulation."

Many more authors share the same sentiments of value and application: Siegel (2011:15) say it is meant to check and confirm the achievement of intended outcome) while Collins, Odders-White and Walsh (2012:19) say it enhances decision making). Therefore the following are the **findings** on Measurement & Evaluation:

1. Measurement & Evaluation for feedback

1. *Absence of Measurement & Evaluation provide gaps in giving feedback*
2. *Impact analysis is important to determine trends*
3. *Summative (post) evaluation is important for outcome analysis*
4. *Formative (during) evaluation provides instant feedback*
5. *Formative evaluation is necessary for monitoring initiative*
6. *Measurement and Evaluation tools are necessary for guided feedback*
7. *Formative evaluation is necessary for monitoring progress*
8. *SMS evaluations provide instant feedback*
9. *Trainers have to know how to assess, measure and evaluate to give feedback for improvement*

2. Measurement & Evaluation to determine suitability

1. *Measurement & Evaluation for suitable duration*
2. *M&E to define suitable target group*
3. *M&E to contextualise course content to groups*
4. *M&E to determine suitability of methods*

3. Measurement & evaluation for research

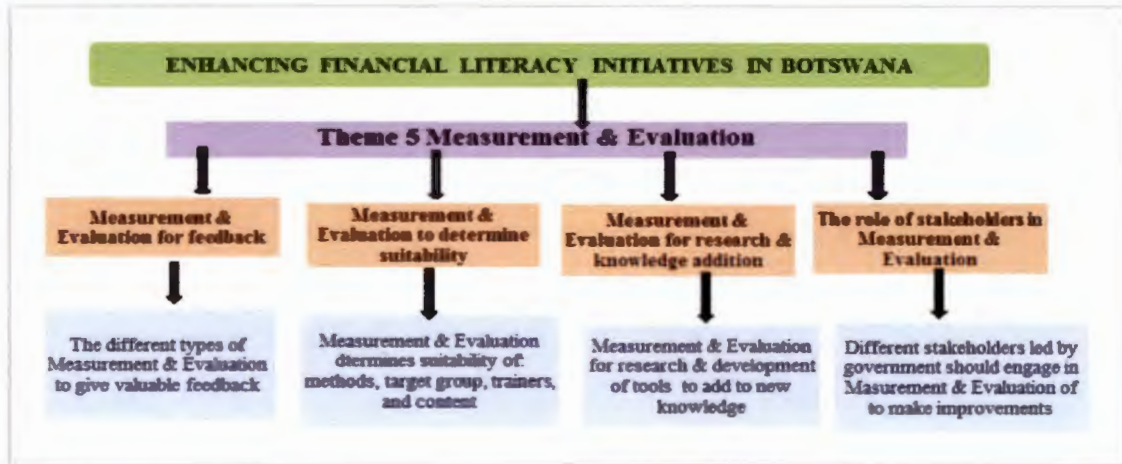
1. *Research surveys are needed for impact analysis*
2. *Pre – financial assessment is valuable to know the level of group*
3. *Measurement and Evaluation tools aid and guide research*
4. *Measurement & Evaluation tools are needed to record interpretation*
5. *Measurement tools are the subject of research for improvement & quality analysis*
6. *Measurement & Evaluation tools are needed for reporting*
7. *Measurement & Evaluation results guide providers on how to make improvements*

4. Role of different stakeholders in Measurement & Evaluation.

1. *Banks must conduct measurement and evaluation of the initiatives*
2. *Researchers must conduct Measurement and Evaluation*
3. *Government should play a lead role in Measurement & Evaluation*
4. *The media should play a role in Measurement & Evaluation*
5. *Trainers must be the main players in measurement and evaluation of the initiatives*
6. *Clients must assess and evaluate what they have learnt – self evaluation*

The following is a summary of the thematic analysis for Theme 5: Measurement & Evaluation analysis.

Figure 5-9: Summary of Theme 5: Measurement and Evaluation



5.9.1 Measurement and Evaluation for Feedback

The results have depicted that absence of Measurement & Evaluation provides gaps in giving feedback and that most of the initiatives did not provide opportunities for formal M&E. Some had informal formative evaluations. This is what is obtained from the interviewees: **P1:** “No evaluation framework to get feedback, but just formative evaluation of the presentations” **P2:** **P3:** “No formal measurement or evaluation but people giving feedback on show through SMS” **P3:** Only informal formative – no evaluation tool to measure impact and no TV ratings or number of viewers in Botswana like South Africa” They reiterate that M&E is necessary to identify gaps on programme and know where to make improvements. The absence of M& E is also shared by: **P4:** No formal impact analysis to identify gaps in programme”, **P3:** “M&E of programmes necessary to know gaps where to make improvements” When conducted the different types of Measurement & Evaluation may serve different purposes to give feedback:

1. *Impact Analysis* is important to determine trends, & value on recipient and as says “to check if the objectives have been accomplished”. Collins, Odders-White and Walsh (2012:19) also say that the impact analysis will

ultimately increase the level of financial decision making. This validates most of the interviews' comments as they emphasise the value of impact analysis. They view its importance in helping to determine trends and that it indicates the extent of value of the education on the recipients. This is what they state: **P2**: *"Impact of the education is need to determine trends & value it contributed to the client"* **P1**: *"Only formative evaluations and no impact analysis - needed to know the trends"* **P4**: *"Only formative evaluations no formal impact analysis to identify gaps in programme"* **P20**: *"Summative evaluations together with impact assessments on the students after course, helps determines impact of the course"* **P17**: *"Evaluation of materials is currently on but impact analysis on the students not yet done yet it is deemed as important to know the contribution of the programme in their financial life"*

2. Summative (post) Evaluations are important for outcome analysis. This is attested by the post assessment of the modules for the organisation represented **P20** as they have assisted in the improvement of the programme. This is what the interviewee said: **P20**: *"Post Assessment of the modules has informed us on the improvements to make on the programme."* **P19**: also reported this: *"The organisation has assessment for summative & impact evaluation on employees"* According to **P19** this yielded this feedback: **P19**: *"Employees changed their investment habits, employees have reduced their spending, employees are saving oriented – e.g. packing of own lunches instead of buying, and employees have put less pressure on employer with demands for pay raises"*

3. Formative (during implementation of initiative) evaluation provides instant feedback and it is also necessary for monitoring initiative or progress of the participants or programmes (Westat 2010:7 and Vanclay 2012:23). **P1**: & **P2** the following shared sentiments *"A Measurement and Evaluation framework needed and necessary to measure impact of the education"* **P18**: Commented that: *"There are formative assessments to check progress but there are no formal tools for measurement. However participants are given a chance to evaluate presentations and workshops, to get feedback on where*

to make improvements” **P17**: “There are always formative assessments by Trainers during classroom instruction” It has also been observed that for these types of Measurement and Evaluation to be conducted relevant tools are necessary for guided feedback. **P19** and **P20** are the ones who reported availability and utilisation of formal tools for Measurement and Evaluation. The literature supports them as Huston (2010:310) says there is need for standard tools for measurement while says Lusardi (2013:4) they need to be target group oriented. However the approach, what is important is that there is need for such tools. **P20** reported to have Measurement and Evaluation tools: “The tools are available and Measurement and Evaluation is conducted every 6 months followed by writing of reports on the activities by the recipients as part of post-delivery.” **P19**: “Measurement and Evaluation tools are available for assessments impact analysis and outcome of the programme” In addition to what **P19** and **P20**, **P11** utilises a survey **P11**: “Summative Evaluation is done by Research Office using Customer satisfaction Survey” These tools, they say are also always subjected to scrutiny, checking their validity and reliability on what they measure. The issue on measurement and evaluation tools is discussed further under measurement and evaluation for research).

5.9.2 Measurement and Evaluation for Suitability

One of the values of Measurement & Evaluation is to determine suitability of the purpose of the initiative (does it serve the intended outcome?). If there is lack of it the financial education providers may not be able to know if their programme is relevant, necessary or not. Other than purpose, M&E assist in issues of duration: to ascertain length & time of instruction to give opportunity to evaluate concentration spans and above all in time management issues it helps Trainers understand how time affects delivery, content and audience. M&E will also determine appropriate methods of delivery (whether they should be interactive, conservative or conventional). It may also help the Trainers to understand how to vary methods which enhance learning of the financial concepts, skills, behaviours and attitudes.

Most importantly it will unearth the methods which are effective for particular audiences. When people are the recipients of a programme or initiative it is also important to know them. Despite the absence of measurement and evaluation most of the initiatives agree that M&E helps to understand the level of education of target group so that appropriate methods, duration and language used. They agree that the most critical person who has to know this is the Trainer. **P10** for instance states: *“Need to have Trainers who know the segments well – their level of education and background”* **P3** also states: *“Trainers must know the target group/segments well so that they use the right methods”* **P11, P13, P18, 19** say the following on the value of Measurement and Evaluation regarding suitability: **P11:** *“Formative evaluation has shown that slow delivery is caused by of educational backgrounds while for some it is caused by language barriers”* **P13:** *“Formative evaluation has shown that presenters sometimes use high level of language and may not able to connect with clients”* **P18:** reports the improvements done after the formative assessments as: *“The level of language should not be too high for segments to understand, and there should be use of Setswana or indigenous language for some segments”* **P19:** *“The M&E has shown that Trainers have to be cautious of the level of language to use in order to reach the selected audience”* **P6** and **P12** comments this way on duration and concentration span: **P6:** *“Through formative evaluation it has been observed that University Students and Children have short concentration spans for long presentation”* **P12:** *“Presenting to kids in the past was not effective because of their short concentration span”*

Therefore M&E helps: to determine appropriate language for target group, to identify segment groups for appropriate/ customised programmes and highlights to Trainers the right content for such a group. **P1:** *Assessment is done mainly through formative evaluation of the presentations and it has been realised that there is need for more content and more examples on how to manage money”* **P2:** *“SMS evaluations to assess production and what was said during the programme- the content should be suitable for the audience”* In terms of content there is agreement that M&E should be conducted to determine how to diversify content, to select the type of course for target

group , to evaluate & assess the impact of the content. It is interpreted therefore that Researchers and Trainers are therefore compelled to assess, evaluate and measure the impact of the content on the recipients of financial education. The following are the suggestions for trainers:

1. *Trainers have to be suitable and well trained for the initiative/programme* **(P20)**

2. *Trainers have to know how to assess measure and evaluate to give feedback for improvement* **P18:**

2. *Trainers have to know how to know suitability of content* **(P2)**

3. *Trainers have to know how to know purpose*

3. *Trainers have to know how to identify the Target group* **(P11)**

4. *Trainers have to know how to know suitability of methods* **(P3)**

5. *Trainers have to know how to know suitability of duration*

6 *Trainers have to know how to research (be involved in the research process, be researchers)* **(P9)**

5.9.3 Measurement and Evaluation for Research

The importance of Measurement and Evaluation on research has been alluded to above and it is emphasised on this section that M&E itself is research which adds to the body of knowledge in financial literacy. The results are meant to guide providers on how and where to make improvements. Every research needs a framework, so the results depict a demand for Measurement and Evaluation framework with the emphasis to the development of research tools for research. The results of the thematic analysis suggest research surveys for impact analysis, pre – financial assessment tools as they are valuable to know the level of group before implementation, during assessment tools for formative analysis to monitor progress while post assessment tools are meant for outcome analysis. **P3:**“*No tools to measure, researchers, bankers and media, and practitioners have to develop them*” The interpretation is that these should be embedded into the Measurement & Evaluation framework of initiatives or the wider national financial literacy programme. The following are what the analysis has depicted as the value of Measurement and Evaluation tools:

1. *Measurement and Evaluation tools aid and guide research, (P8, P9, P13, & P16, P18, 19)*
2. *Measurement & Evaluation tools are needed to record interpretation (P2&P7, P8, 19)*
3. *Measurement tools are the subject of research for improvement & quality analysis (P2&P3,)*
4. *Measurement & Evaluation tools are needed for reporting (P2&P7, P8, and P20)*

5.9.4 Role of Stakeholders in Measurement and Evaluation

Stakeholder involvement is one of the strategies which can enhance the financial literacy initiatives especially on the aspect of who and how different people should contribute to Measurement & Evaluation. The results are:

1. **The Banking & Insurance sector** must conduct measurement and evaluation of the initiatives, **P1**: *“The banking & insurance sector must conduct M&E because they are the sectors which are mostly involved in Financial Education”* **P3**: *“All Banks & Financial institutions must be involved in evaluation of their initiatives so as to get to know how to improve them”* They continue to appeal that: **P3**: *“There are no tools to measure, researchers, bankers and other financial practitioners to develop them.”*

2. **Researchers** must conduct measurement and Evaluation of the different initiatives, **P19**: *Researchers should develop interest in financial education- first design the tools and then use them for research to advice on policy* **P3**: *There are no tools to measure, researchers, bankers and financial practitioners to develop them.* **P6** also shared the same sentiment: **P6**: *“There is no measurement framework to measure impact analysis; it should be created by researchers”* **P11**: *“They should be an evaluation framework to measure levels of financial literacy in Botswana, researchers must take part & government should encourage them”* **P15**: *“Researchers must come forth and do impact analysis of programmes”* In addition to researchers being urged to take up the role of developing a Measurement and Evaluation framework on the same note schools are urged to do their part. 3. *All Schools must have programmes and do research to determine impact. This is how* **P3**

commented: *“All schools public and private providing financial educating and assessing impact”* and **P14** says: *“Schools must have financial education programmes and ensure there is impact analysis.”*

3. Government should play a lead role in Measurement and Evaluation. This is what the interviewees suggested: **P7**: *“There is no measurement framework to measure impact & outcome, the government should lead in creating a M&E framework”***P5**: *Government has to lead on improving initiatives and assessing impact,”* **P3**: *“Government has to lead in making improvements and assessing impact of financial literacy initiatives on consumers”* **P8**:*“There is no Measurement & Evaluation Framework and therefore no tools, government should encourage researchers to develop them”* **P9**: *There is no framework to measure impact but it is important, researchers must play a role in designing the Measurement and Evaluation framework”* The Government is urged to encourage researchers to be involved in Measurement and Evaluation as **P11** says: *“They should be an evaluation framework to measure levels of financial literacy in Botswana, researchers must take part & government should encourage them.”*

4. The media should also play a role in Measurement and Evaluation. The interpretation is that they should publish research results and encourage recipients to give feedback. They should give platform for reviews of initiatives and financial literacy programmes. The interviewees have this to say: **P3**: *“Media should play a role in publishing results & giving an opportunity for reviews”,* **P13**: *“There is no Measurement and Evaluation framework, it should be established by the research teams and published by the media.”*

5. Trainers being critical stakeholders must be the main players in measurement and evaluation of the initiatives. This has been elaborated in the section of suitability indicating who should play a role in identifying such.

6. Clients must assess and evaluate what they have learnt – self-evaluation. Other than Trainers, Clients are also encouraged to be part and parcel of Measurement and Evaluation: Most of the interviewees value the role of

clients in evaluation. **P1:** *“Clients must be given an opportunity to evaluate the initiatives; they should be part and parcel of the programme.”*

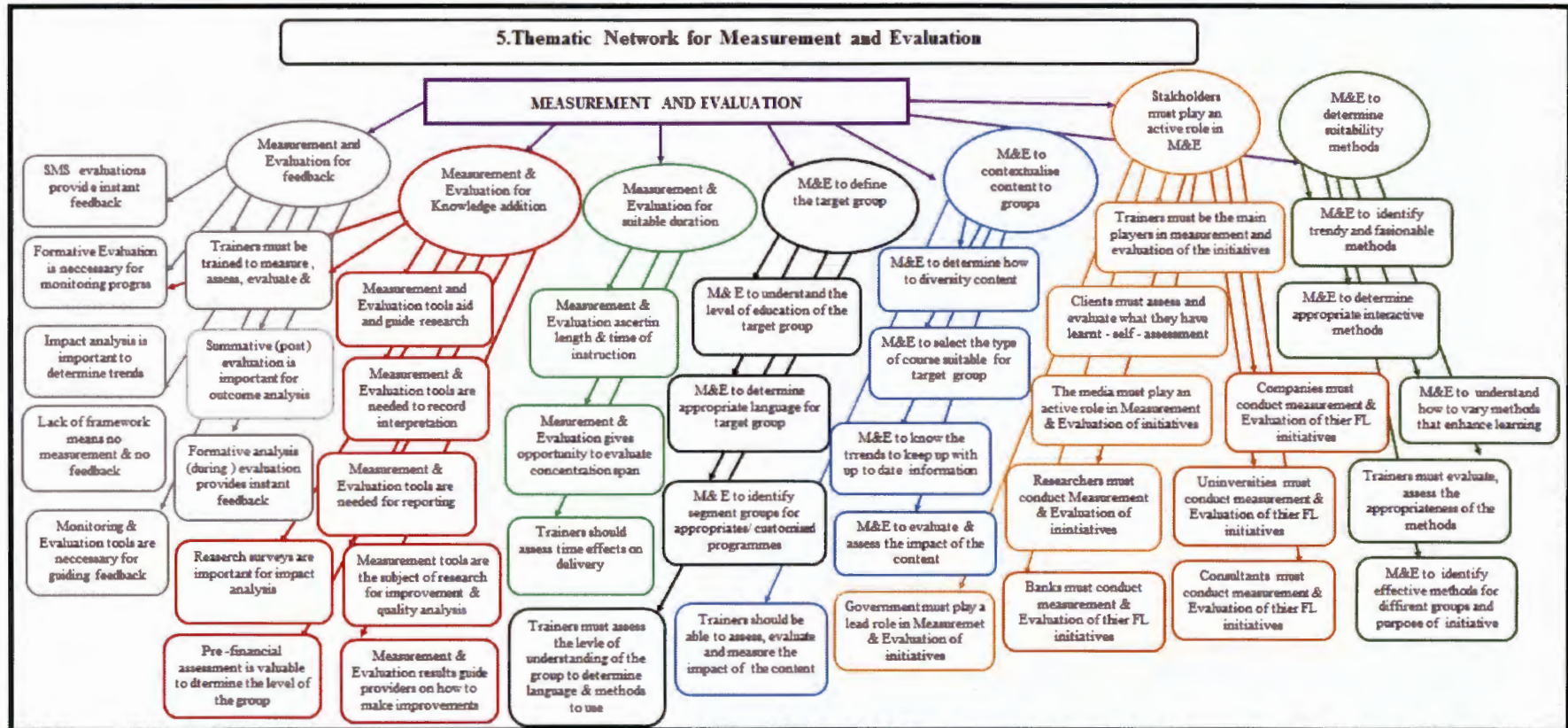
5.9.5 Summary of Theme 5 – Measurement and Evaluation

The importance of Measurement and Evaluation is highly emphasised. The different types of Measurement and Evaluation are recommended to be carried to serve the different purposes of which they are intended for. A Measurement and Evaluation Framework has been proposed so that this activity becomes part and parcel of enhancing financial literacy initiatives. There should be development of tools for Measurement and Evaluation so as to create a certain level of standard. Measurement and Evaluation should be the responsibility of a multiple stakeholders: Researchers, Trainers, Providers and even the recipients. The media too are called upon to endure publication of results of the Measurements or Evaluations. In conclusion this theme answers the research question: **RQ3** How can financial literacy is enhanced initiatives in Botswana? The answer is it can be enhanced by measurement and evaluation.

5.9.6 Implications for Quantitative Phase (Variables)

According to Atkinson (2010:8) quantitative design is suitable for impact analysis – as one aspect of post summative evaluation. The questionnaire is part of the tools of analysis in Measurement and Evaluation. It measures their confidence (self- evaluation questions), performance test, assessing the impact, and the opinion questions on what they would like to learn or how they may want to learn. Suggestions on the effective methods of delivery are also vital.

Figure 5-10: Thematic Network of Theme 5: Measurement and Evaluation



5.10 Theme 6 – Government Led National Strategy on Financial Education

Many countries around the world have embarked on National strategies on Financial Literacy for their citizens because of different reasons but mainly for the purpose of dealing with low levels of financial literacy. The OECD (2013:23) has some examples of such strategies around the world, while some are from reports from individual countries others are from reports written by OECD. Examples of countries which already have such strategies are Zambia (Munro and Manje 2013:1), South Africa (OECD 2013:23) and Department of National Treasury Republic of South Africa 2013:1) Canada (National Strategy for Financial Literacy – Count me in, Canada 2015:5) Japan (Furusawa: 2014:1, and OECD 2013:23) and the United States of America (National Strategy for Financial Literacy 2011:1). In this study a Government led strategy is proposed with the purpose to enhance financial literacy initiatives, the goal being to deal with the low levels of financial literacy among different segments of the society. This strategy is proposed to be realised by: 1. *Regulation and Control*, 2. *A Defined Curriculum*, 3. *All Stakeholder Involvement*, and 4. *Strategies for Implementation*. The findings are:

1. Regulation and Control

1. *There should be provision of policy and regulation to control pawnshops*
2. *There should provision of policy and regulation to control “Motshelo”*
3. *Unregulated activities lead to unfair and high interest rate charges on borrowing*
4. *The Insurance Act must bind insurance entities to provide financial literacy*
5. *There should an ACT or legislature on how all parties may contribute*
6. *Government should be on the lead in providing controls*

2. A defined Curriculum

1. *Defined target groups for an inclusive curriculum*
2. *Curriculum content should be contextualised to the target group*
3. *There should be defined methods of delivery for an effective curriculum*
4. *Stakeholder involvement in the Curriculum*

3. All Stakeholder Involvement Strategy

1. *The government should be in the lead of providing resources*

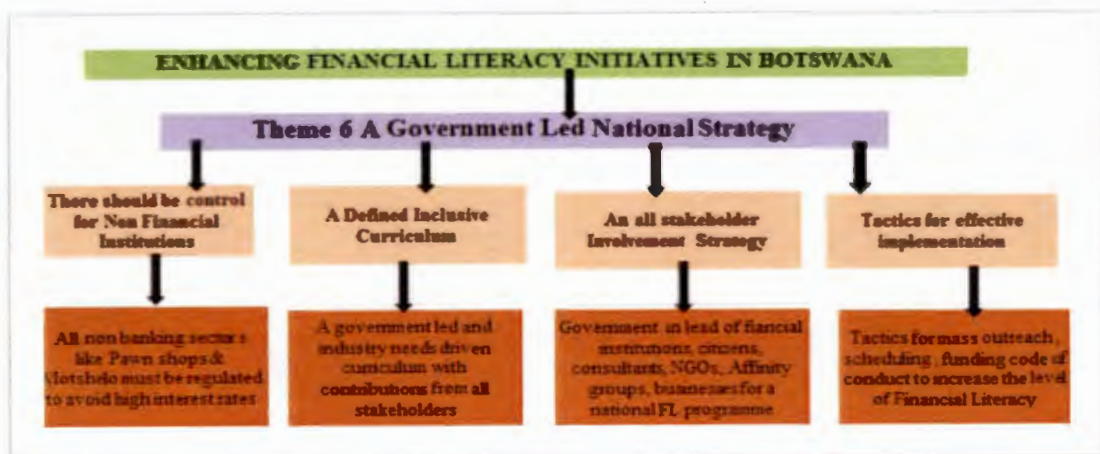
2. Government should be in lead to drive an FL national Strategy
3. Financial Institutions must continue to play a vital role in Financial Education
4. Citizens must play an active role in their Financial Education
5. Financial consultants must enhance their involvement in Financial Education
6. Non-Governmental Organisations must play an active role in Financial Education
7. Investment companies must enhance their involvement in Financial Education
8. There should be national strategy includes the role of Banking sector in providing FE
9. There should be national strategy for the role of insurance in providing FE
10. Unions must continue to show their quest for financial knowledge

4. Strategies of Implementation

1. Tactics to reach the masses especially in rural areas must be decided
2. Schedules of activities and programmes must always be agreed upon & honored
3. A Financial Literacy framework which includes a code of conduct for providers must be decided
4. There should be a Financial Literacy framework which includes ways of measurement & evaluation must be designed
5. Funds must be availed to carry out robust activities of a national financial Literacy Programme
6. There is need to prioritise groups which need the programme most to address the low level of Financial Literacy

The following is a figure showing the summary of the results:

Figure 5-11: Summary of Theme 6: A government Led National Strategy



From the qualitative analysis of this study Botswana may have to do the same in developing a National Strategy on Financial Literacy. The results indicate that there is a need for a government led national strategy in order to enhance financial literacy initiatives in Botswana. This has been explicitly suggested by the following interviewees: **P4**: “There is need for policy and national strategy on financial literacy”, **P5**: “Government should embark on national strategy which cultivates the culture of saving than borrowing”, **P8**: “Government must have a national strategy that enforces everyone to take part in educating the public on finance”**P12**: “The government must spearhead a national strategy on financial”, **P13** “The government to take lead and make a national strategy for everyone to follow” **P15**: “There should be a government led national strategy” Some have instead suggested a policy for regulation of financial literacy initiatives: **P12**: “There should be a policy to ensure that businesses, companies and schools increase the levels of financial literacy” **P13**: “Government should make a policy binding all financial institutions to offer financial education to their clients” **P19**: “Government policy needed for regulation – the policy on education”. **P20**: “There has to be a policy to enforce relevant organisation to ensure growth of the levels of FL.” It is therefore advised in this study that government pronounce a policy on financial education from where a national strategy may be mapped. The principles for a national strategy may be benched marked from the case study of Indonesia as OECD/INFE (2015: 76):

The National Strategy for Financial Literacy is based around four principles:

1. **Inclusiveness**: *financial literacy programmes must cover all communities* ;(this is correlation with these study findings that financial education must cater for different kinds of groups – Theme four for inclusive financial education.)
2. **Systematic and measureable programmes**: *financial literacy programmes are well planned, understandable, simple, and their achievements can be measured*;(this collaborates with theme five and also part of theme 6 on measurement and evaluation to enhance financial literacy initiatives)

3. **Accessibility:** *materials and resources are widely distributed across Indonesia and accessible; and (for every strategy to be implemented materials and resources are needed and this may be sort from government and sponsors as theme three on Business growth suggests)*
4. **Collaboration with stakeholders:** *involving all stakeholders to implement the national strategy.(Theme 6 has the findings that there is need for an all stakeholder involvement to combine efforts in combating low levels of financial literacy)*

5.10.1 Regulation and Control

The government of Botswana formed a Non- Bank Financial Institutions Regulatory Authority (NBFIRA) as an independent regulatory agency for non-bank financial institutions in April 2008. It has primary objectives as discussed in chapter 3 of this study is to create safety and soundness of non-bank financial institutions in order to have stability of financial system, to have the highest standard of business conduct within the sector, to conduct business with fairness, efficiency and orderliness and to reduce or deter financial crime. The results indicate that in Botswana there is need for control and provision of policy on the operations of pawnshops. These still operate under exemption licensing rules under the provisions of section 48 of the NBFIRA Act pending promulgation of relevant regulations (NBFIRA Annual Report 2016). The report outlines three main challenges which threaten the environment intended to be achieved by NBFIRA: Dispute on outstanding balance, security in a form of vehicles sold before last date of redemption and excessive interest rates. This is supported by the following narratives:

P5: *“Government to regulate non-bank sector which leads consumers to debt like pawn shops, cash loan sharks and motshelo”* and **P12:** *“Government policy to control Motshelo & cash loans”* Motshelo is a Setswana word which denotes a system of an association or a group of people contributing their money together into a pool, lending the money to members of motshelo group or external clients of the association. The group shares liabilities and interest from lending depending on their agreements and terms of reference. During the interviews and discussion the participants viewed this activity as one where most of Batswana fall prey to motshelo syndicates which charge

high interest and for those who contribute funds for lending; their funds are usually at high risk. Some of these syndicates do not have contracts, regulations, formal banking or formal association bodies. The interviewees have this to say: **P1:** *“Batswana with low levels of financial literacy are prey to high motshelo and cash loans interest rates”,* **P3:** *“People resort to motshelo to generate and save money, but these associations are not registered to protect members”,* **P4:** *“Some associations like motshelo and cash loans are not well regulated and impoverish those who are not well informed”,* **P5:** *“Some associations like motshelo do not know they have access to banking.”***P6:** *“Low level of financial literacy does not expose customers to access to banking, and they borrow from cash loans which have high interest rates improvements”,* these are the repercussions of lack of inclusion in the banking or financial market system. **P8:** *“Low level of financial literacy lead to not knowing about banking or about better areas to finance”,* **P12:** *“Financial literacy very low and leads to lack of banking or borrowing from institutions with high interest rates”,* **P19:** *“Employees with low levels of financial literacy pay high interest rates in cash loans instead of borrowing from other institutions.”*

The NBFIRA Annual Report (2016:5) shows that the regulatory body has acted on the above issues because they have created a Friendly Services Acts which accommodates motshelo syndicates. In addition to the regulation of pawnshops and motshelo, the results of the interview are that all other Acts under “Financial Services Law” which includes Acts like the Insurance Act must have clauses or sections which bind the different sectors provide financial education for the clients. It is also recommended that the government be on the lead in conducting financial education by enforcing regulation and control and by encouraging all other stakeholder to make a contribution.

5.10.2 A Defined Inclusive Curriculum

The target audience, the content and the methods of delivery continue to be core in the provision of financial education. The findings from the thematic analysis answers the research questions: What is the content selected for the initiatives, what are the approaches used in delivery of financial literacy

initiatives, and what can be done to enhance Financial Literacy in Botswana? Some National Strategies do not target all the segments in the environment or population like in Australia. According to Taylor and Wagland (2013:68) "The focus is on incorporating financial education through the existing school curriculum, beginning in kindergarten through to year 12 students."

The interviewees state the following about the school's curriculum: **P1:** "*The FL programme must be part of curriculum in schools and the content should not be mathematics or accounting students but should be for all in the educational institutions*" **P2** has more or less the same sentiments while others highlight that: **P3:** "*Every group of students (from kindergarten to tertiary level) must be targeted and the ministry must include financial education in the curriculum*" **P4:** "*The strategy should force all schools to have a financial literacy programme,*" **P6:** "*A Financial literacy programme should be incorporated into the school curriculum*", **P7:** "*Financial programmes should be incorporated into the curriculum right from early childhood to university*", **P8:** "*All schools must have a financial literacy programme*" **P9:** "*Financial education should start at schools and therefore the curriculum must be changed*" **P10:** "*Financial literacy should be compulsory in schools at all levels of education*" **P11:** "*Financial Literacy should be incorporated into the school syllabus*" **P12:** "*The curriculum at all levels of education should have a stand-alone subject on financial education*" **P13:** "*Financial education must be a part of the curriculum right from early stages to the highest level*", **P15:** "*There should be a schools National financial literacy programme*", **P16:** "*There should be education right from early childhood schools to the university*", **P17:** "*The Ministry of Education must ensure implementation of the policy on education that every school must have a financial literacy programme*" **P18:** "*There should be inclusion of financial education in all schools syllabuses .There should be guest speakers and experts in schools to motivate students in personal finance*" **P19:** "*There should be a mandatory offering of financial education in schools at all level of education*", **P20:** "*All school have to run a financial literacy programme designed by Ministry of Education*", **P14:** is particular because it has included the measurement and

evaluation aspect **P14:**“*All Schools from early childhood to university level must have a financial literacy programme and ensure there is impact analysis*”

Other National strategies like that of Uganda and that of Canada appeals to all segments in the society. Strategy for financial literacy in Uganda: (2013:3) states that “Financial literacy is relevant for everyone in a modern society regardless of income, level of education, age, or gender” In Canada: The National Strategy for Financial Literacy – Count me in, (2015:7) states that:

“Canada will mobilize and engage public, private, and non-profit sectors to strengthen the financial literacy of Canadians and empower them to achieve the following goals: manage money and debt wisely; plan and save for the future; and prevent and protect against fraud and financial abuse”

This study has also alluded to this in theme three on Inclusive Financial Education. The results for this show that there must be an inclusive curriculum with much emphasis on taking care of the affinity and marginalised groups, the providers are reminded to do proper segmentation and that the curriculum must start from early childhood. The interpretation is that all must be targeted and all must be consulted in curriculum development to make a contribution for a comprehensive financial literacy programme. However what is distinct from theme 4 is the curriculum is proposed to be designed developed and reviewed, advised by industry needs which means there should be a study of the financial market to investigate what the target audiences may need. The Botswana Qualification Authority ACT 2017 also has set as one of criterion for developing any programme should be industry demanded as per need assessments. National Strategy of South Africa also state that: “consumer financial education is a shared responsibility among many stakeholders all of which have a powerful and legitimate role to play: government, schools, financial institutions, industry, associations, employers, trade unions, community organisations, and NGOs.” One of the roles of the industry association is to advise on the curriculum. This is what the interviewees proposed on the involvement of the industry on the curriculum: **P1:**“*The curriculum must satisfy industry needs*”, **P4:** “*The*

curriculum developers must heed to industry needs”, P5: “An industry needs oriented curriculum” P7 “The industry must be consulted on curriculum development”, P10: “The Curriculum should aligned to industry needs”, P15: “The industry must be consulted on development and review of the curriculum”, P16: “The curriculum must be industry advised”

The content should be contextualised to a group while the methods of delivery must be trendy, effective and accepted by the target group as elaborated in theme four. It is also advised for a constant review of content to validate its appropriateness to such a target group. One of the challenges communicated by the interviewees is that of the inability to determine the content for the masses and public settings as it is difficult to get feedback from ratings. This is what the interviewees have to say: **P3:** *“No TV ratings in Botswana like South Africa and number of viewers”, P8: “No radio or television ratings like in South Africa” and P16: “Difficult to evaluate as no programme ratings like South Africa”* The interpretation of this is that the government should invest on technologies which determine ratings and which allow feedback from the masses. According to Wyatt (2009:3) assessing factors which influence the choice of target audience (“access to technology education”) must be considered. At the moment the ratings may not be available or it may be difficult to evaluate the programmes, new programmes in other countries using innovative and interactive delivery formats were being considered in developing countries (Xu and Zia 2012:29).

The results also demand for an all stakeholder involvement in the design, development and review of the curriculum with the Ministry of Education as a champion. The participants say the following about the Ministry of Education: **P3:** *“The Ministry of Education must the champion of curriculum development” P18: “The Ministry must be the champion in the design and development of the curriculum”* Schools, writers and researchers, all financial sectors, accrediting body, and the recipients of the education must play an active role in the design, development and review of the curriculum. This is what is said about the writers: **P1:** *“Writers must produce books to be used in*

schools” and P15 says: “Writers must be encouraged to produce books to be used in schools”.

The banking sector and insurance companies were charged with the following responsibilities: **P8:** *“Insurance companies must be involved in curriculum development”* and **P17** also says: *“Banks, Insurance companies and other financial education providers must be involved in curriculum development”* Besides the insurance and banking sectors those directly involved in training were also required to design, develop and review the curriculum. This is what they say: **P3:** *“Trainers must develop, and evaluate the financial education programmes”, P19:* *“Instructors must be involved in design of programmes for financial education at all levels of training”* and **P20:***“Have instructors (Trainers) in schools who champion education on personal finance and are involved in design and review of the curriculum”, P13* *“Schools must engage finance experts in the development and evaluation of curriculum”, P15:* *“The National strategy should include the role of schools, the ministry of education and all other ministries in the development and review of the curriculum”, P2:* *“The curriculum Development and Evaluation Department in the Ministry of Education should be engaged in curriculum development and review of the financial literacy programmes”.*

Since the curriculum is proposed to be industry needs driven, it corroborates well to say: **P10:** *“The industry must be consulted in curriculum development and review of the financial literacy programme”,* and **P7** *“The Industry must be consulted on curriculum”* Researchers have also been asked to be involved in curriculum development: **P9:** *“Researchers must play a role curriculum design, development and review of the financial literacy programme”* and **P11** supports this by saying: *“Researchers and Writers must be involved in curriculum design and development of the financial literacy programme”.* In addition the experts are asked to participate as **P19** says: *“Financial consultants and experts must be involved in curriculum design, development and review of financial literacy programmes”*

The Botswana Qualifications Authority (BQA) is a national accrediting body for every programme in Botswana. The programme, the mentors, and the trainers must be accredited to deliver quality assured financial literacy programmes. Over and above all the explained results presenters and experts need to be trained on the curriculum so that they may deliver effectively such a curriculum. The following interviewees give the same advice on training of teachers or instructors: **P19:** *“Training of Teachers, Instructors must be first priority”* and **P20:** *“The Ministry of Education start with training teachers on personal finance. There should be instructors (Trainers) in schools who champion education on personal finance”*. They are charged with the responsibility to know the level of understanding of the target group, the appropriate language and the suitable methods to use in order to enhance the levels of financial literacy in Botswana. There are reports of lack of experts for radio and Television programmes which means there is a call for practitioners to make a contribution in that regard: be available for interviews to give expert advice on the shows. The interviewees identified the following problems about experts: **P4:** *“Sometimes it is difficult to get experts”*, **P8:** *“Production is not that easy sometimes as it is not easy to find experts to be resource persons on the radio”*, **P13:** *“Experts are not easy to find for curriculum development or for advice on radio or television”*, **P16:** *“There is a Limited pool of experts to deliver and be on the programme”*. The solution to these problems is brought by **P13** and **P19** as they comment thus: **P13:** *“Advertise more for a pool of experts”*, and **P19:** *“The government should to promote research in universities to attract experts in the field of personal finance”*

5.10.3 Stakeholder Involvement

The results of the study demand an all stakeholder involvement led by Government to drive a national strategy of financial literacy. This is supported by Taylor and Wagland (2013:81) highlighting that:

“Improving financial literacy levels in our community is not, and cannot be, the responsibility of any one sector or organisation alone. It requires a whole community response with cross sectoral support. The

attainment of financial literacy for most people is a cumulative, lifelong process, not an event tied to a particular course of study.”

Calling upon every player in the environment to combat low levels of financial literacy is a goal for most of the national strategies in financial literacy with examples such as Canada, United States and Uganda. Canada: “To mobilize and engage public, private, and non-profit sectors to strengthen the financial literacy of Canadians” United States of America: The vision is to promote: “A Sustained financial well-being for all individuals and families in the United States”: Uganda: “A wide range of stakeholders have come together, under the leadership of Bank of Uganda, to develop the financial literacy strategy, guided by the principles of sustainability, feasibility and cost -effectiveness.” The strategic goal of the bank being to promote financial inclusion which entails enabling the bulk of the population to access a range of financial services which are appropriate for their needs. The interviewees have this to say about stakeholder involvement: **P1:** “*Everyone should be involved especially banks and the Insurance sector The Ministry of Education, universities & schools*”, **P4:** “*Need for policy and national strategy that can drive all stakeholders to educate clients*”, **P5:** “*All key stakeholders should be involved like employers, parents and school*”, **P6:** “*There should be a law to regulate all possible organisations that need to educate clients on money matters*”, **P7:** “*There should be a law to obligate all stakeholders to provide financial education*”, **P10:** “*The Government must play a big role in ensuring that stakeholders unite in offering Financial Education*”, **P11:** “*A regulation should be there to encourage all stakeholders take part*”, **P12:** “*The government must spearhead a national strategy on financial education and involve all stakeholders*”, **P16:** “*All possible stakeholders should be involved: Parents, schools, all financial intuitions and the corporate sector.*”

Low levels of financial literacy have been identified among all segments but found to be acute among, Low Income Earners, the marginalised groups and the small business community. This is the reason why there is need to enhance the available initiatives. The interviewees contribute the following on the low levels **P6:** “*Low level does not expose consumers to access to*

banking.” **P8**: “Low level lead to not knowing about banking or about better areas to for investment”, **P19**: “Low levels do not expose employees to better savings, investment and retirement plan opportunities.” The study advices for all financial institutions in the different sectors: banking, non-banking, insurance, investment companies, financial consultancies to continue to play a vital role in deal with these low levels. In developing the national strategy there are suggestions to benchmark with South Africa. Botswana was said to be trailing behind its neighbour as South Africa. **P8** advises: “South Africa has a National strategy to benchmark from”. National Consumer Financial Education Strategy (2013:10) outlines the vision of South African National strategy as: “To increase the financial capability and thereby the financial well-being of all South Africans” The strategy is inclusive of all which may also work for Botswana. Funding is one of the most important issues in carrying out a financial literacy programme and it is also reflected by the results of this study where interviewees called on the government to be in the lead of providing resources. All the stakeholders are advised to view investment on financial literacy initiatives as value-adding rather than a waste of funds. It is the involvement of private sectors in the national strategies that funding and sponsorship may be sourced easily. This is supported by OECD/INFE (2015: 8) which states that: “Increasingly, national strategies are implemented with the contribution of the private sector. Private stakeholders can bring a number of benefits (e.g. financial resources and expertise), and are well positioned to reach a wide audience, exploit teachable moments and combine financial education with financial inclusion efforts.” However, they caution that the involvement of private stakeholders in financial education may bring about potential shortcomings, including un-coordinated initiatives and conflicts of interest. As a measure the OECD/INFE (2015:8) itself has provide guidelines for the involvement of Private and Not-for-profit Stakeholders in financial education. Citizens, employees and the affinity groups have also been advised to be responsible for their own learning. **P2** charges clients with this responsibility by saying: **P2** “Clients must evaluate the initiatives; be part and parcel of the programme”. They further say: “Clients should also have the initiative to seek financial knowledge”. They are joined by the following on their proposal: **P3**: “Clients should also demand to

be informed” **P13**: “Clients should also initiate to know about personal finance” In the same manner specific groups like Unions are encouraged to be in charge of their own learning. The employees from these Unions have been commended for their eagerness to receiving financial education. This is what **P5** has to say: **P5**: “Employees who are always eager to take part or who often make requests to be trained are from unions” These employees are further encouraged to continue to quest for knowledge on personal financial management.

5.10.4 Strategies for Implementation

The OECD/INFE (2015: 47) has this to say about the different countries on implementation: “In order to guide, provide advice and supervise the implementation of their strategy, a number of countries have chosen a multi-stakeholder approach”. It is in this study that such an approach is also proposed. Every strategy needs to outline how it may be implemented like the national strategies of Zambia (Kitwe 2013:6), South Africa (National Consumer Financial Education Strategy 2013:10), Japan (Furusawa: 2014:11) In Zambia for instance (Kitwe 2013:6) “The National Strategy on Financial Education for Zambia sets out the direction and framework for improving financial literacy among Zambians. It outlines programmes, leadership, funding model, action plan, milestones and a monitoring and evaluation plan.” In this study the suggestion is that there should be a development of code of conduct for all who are involved in providing financial literacy. **P3**: “There must regulations for conduct in delivering financial education”, **P4**: “Need for code of conduct to regulate providers and trainers” The interpretation is that this will assist in governing presenters, trainers, practitioners, schools, curriculum developers, researchers in upholding necessary standards. In the section for a defined curriculum, the accrediting body (BQA) was also requested to fulfill as part of their mandate to accredit any courses or modules taught. The interviewees have this to say: **P1**: “The modules must be accredited by BQA to meet compliance standards”, **P10**: “Accredit programme & Trainers with BQA for quality assurance” **P3**: Trainers & programmes must be accredited by BQA to give them value and authenticity” **P19**: BQA must ensure that the national programme is

accredited” Some of the programmes or initiatives and mentors are already accredited by BQA. This is reported by **P10**, **P11**, **P18**, and **P19**. They highlight that: **P10**: “*The programmes are accredited and delivered by accredited Trainers and Mentors*”, **P11**: “*Both the Programmes and the Trainers have been accredited by BQA*”, **P18**: “*The programmes and Trainers accredited by BQA*”, and **P19**: “*The courses and Trainers are BQA accredited to give employees quality training*” Some may not be accredited by BQA but have been modeled around other programmes in Africa: **P8**: “*A programme adapted from South Africa to empower consumers in Botswana*” and **P12**: “*A schools competition modeled around the Nigerian programme*” Others may not be accredited as well by BQA but they enjoy international recognition: **P20**: “*An International programme for young people*” An accreditation of a national programme therefore will give it value and stature in compliance with the BQA regulation.

There have also been suggestions of developing a Measurement and Evaluation framework. This framework will satisfy the one of the criterion for successful implementation as suggested by Kitwe (2013:6) when analysing the National strategy of Zambia. The interviewees have already been quoted on this in theme five of this study. It is repeated in this section too to indicate its place in the national strategy. It is upon researchers and consultants to review the frameworks around the word to develop a contextualised framework for the country. Some of the ideas mentioned are mostly tactics on how to deal with the challenges of implementation of the programmes such as scheduling and the use of a Resource Sharing Model. These are worth mentioning as they are advising even though they may be decided at company or entity level rather than as part of the whole national strategy

5.10.5 Summary of Theme 6 –A Government Led National Strategy

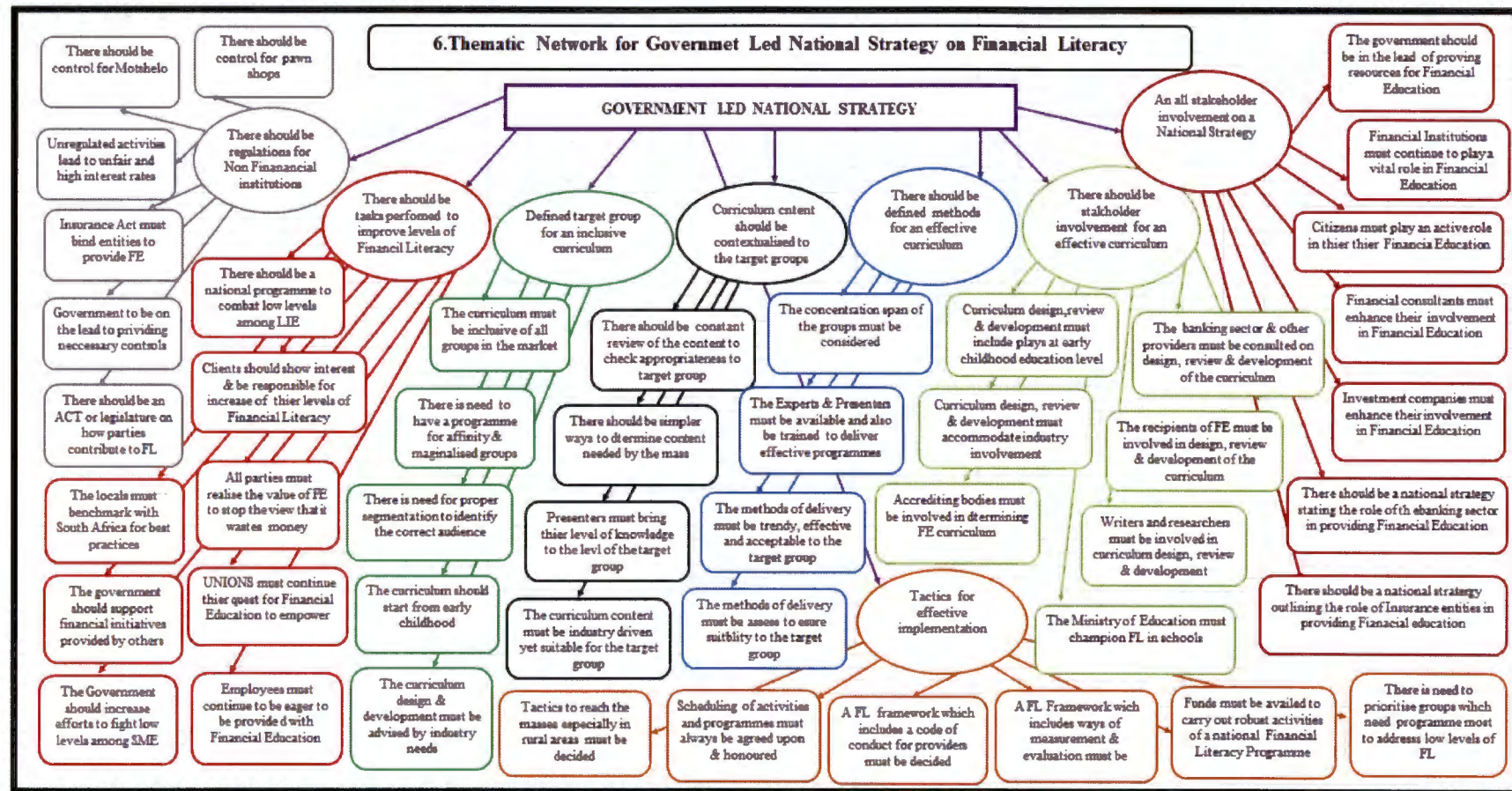
Most of the interviewees advocate for a Government led National Strategy which will include advice on a well - defined industry driven curriculum. The vision is to promote personal finance and combat low levels of financial literacy which has been identified in all segments. In the implementation of the strategy Botswana is urged to bench mark with South Africa. It is also

proposed that all sectors to be involved in the implementation hence a “multi-sectoral approach” to enhance financial literacy initiatives in Botswana. This theme therefore answers the research question: Q4. How may the different stakeholders enhance financial literacy initiatives?

5.10.6 Implications for Quantitative Phase (Variables)

The impact analysis must confirm or reject if the initiatives have contributed to combating the low levels of financial literacy among the groups which were targeted. This is implemented by the use of asking self – assessment questions to test confidence and complimented by performance test.

Figure 5-12: Thematic Network of Theme 6: Government Led National Strategy



5.11 Summary of Themes: Convergence towards Enhancement

The results mostly indicate the reasons for the need to enhance financial literacy in Botswana. The initiatives have been identified from different sectors: Insurance, Banking, and Non – Governmental Organisation NGOs, Regulatory body, and this has answered the question: what are the financial Literacy initiatives there in Botswana. A lot of them do not have names but those which do have tied the name to the purpose of the undertaking the initiative. Among the six themes identified some reflect that the implementation of financial literacy initiatives has two tied beneficiaries: a benefit to the business (Theme 3 Business Growth) as well as a benefit to the consumer (Theme 1 Consumer Empowerment). Within this theme, customers are given knowledge, skills and attitudes on different aspects of personal finance so that they may make informed decisions. A change in perception, behaviour and attitude has been reported in some areas like: a positive perception towards the stock market, a reduction in defaults and cancellations, and caution in dealing with cams and pyramid schemes. As such Financial Literacy initiatives in Botswana should be enhanced to feed these beneficiaries and to further assist consumers to make better decisions.

Another vital theme which carries an answer to the reasons for enhancement is theme 2 (Stability and Sustainability), financial education is vital for teaching consumers how to use their income to benefit them now and in future. Income and debt management has occurred as the prevalent topic under the theme and that young people should be prepared at an early age. There has been an increase in account opening and the use of technology but the most important skill learnt is that of budgeting. This is because it has been observed that the habit of budgeting is an important skill for decision making in all aspects of personal finance to bring such stability and sustenance.

Augmenting the reasons, it has been identified in theme 6, (A Government Led National Strategy) the need to deal with low levels of financial literacy among different groups. It is with the same theme where there is an answer

to the following research question; how may the financial Literacy initiatives be enhanced? There should be an all stakeholder involvement; a defined industry needs driven curriculum; a plan for implementation and also a development of a measurement & evaluation Framework. While considering these strategies Theme 4 (Inclusive Financial Education) employs one to know who to reach in order to have inclusive financial education initiatives. The theme also makes an addition to the answer for to the question: How may financial literacy initiatives enhanced? There should be the use of interactive methods which mostly are modern with the use of technology yet there still should be considerations for the conventional methods of delivery as they may still be relevant and suitable for the audiences. In conclusion from the themes the analysis the following summary of themes converging towards a framework to enhance financial literacy in Botswana was obtained.

Table 5-6: Summary of the Themes

Main Issues Summarised	Theme (Basic Themes summarised)	Organizing Themes (summarised)	Global Themes	Summary Theme
Financial education benefits Perceptions on investments Perception in stock market Perceptions on Taxation Financial knowledge Loan and debt management Financial behaviour and attitudes Empowerment of citizens Behaviour of defaulters after FD Marketing strategies Competitiveness Corporate social Responsibility Customer service Financial	1. FE provides change in perception on savings, investment, and stimulates interest in financial and stock markets 2. FE changes behaviour of different groups minimizing default payments and cancellations 3. FE has empowered consumers to save, to invest and to lessen pressure on employers 4. FE has changed	1. Change in perception, behaviour and attitudes	1. FINANCIAL EDUCATION FOR CONSUMER EMPOWERMENT <i>(Reason for enhancement)</i> What is the reason of enhancing Financial Literacy initiatives?	ENHANCING FINANCIAL LITERACY INITIATIVES Critical Questions Questions 1. What are the reasons of enhancing Financial Literacy initiatives? 2. How may Financial Literacy initiatives be enhanced? 3. Who may benefits from enhancing

products	<p>businesses in attending to customers and their marketing strategies for competitiveness</p> <p>5. FE has empowered consumers to be avoid scams & fraudulent schemes</p>			<p>Financial Literacy initiatives</p> <p>4. How may beneficiaries be reached so they benefit?</p> <p>5. Who may enhance Financial Literacy initiatives?</p>
<p>Financial Empowerment Personal Financial Planning Managing money Budgeting Investment Financial Prudence Personal Growth Public awareness Spending within means Youth empowerment Employee welfare Foundation for Children Value of Budgeting Advantages of budgeting Consumer rights Financial market Customer service Capital for entrepreneurship Financial concepts Facts on investments Shares Stock Markets Offshore investment</p>	<p>Empowerment of different groups with different skills, in different ways, giving information for informed financial decision making</p>	<p>2. Financial education for Informed Decision making</p>		

<p>Types of savings The value of portfolio diversification The Value of shares The stock market Investment and unit trusts Taxation Income Tax Value Added Tax Importance of filling tax Taxation and savings Tax avoidance Tax evasion Tax Rebate E- solutions for tax Budgeting skills Tracking finances Taxation Compounding E – Technology Basic banking Basic accounting Debt – management Re – investment Budgeting Skills Every day finance Personal Finance Debt management</p>	<p>Accounting, savings, investment, basic banking, taxation for everyday income & debt management</p>	<p>1. Financial education for Financial Stability</p>	<p>2. FINANCIAL EDUCATION FOR STABILITY & SUSTAINABILITY</p> <p><i>(Reason for enhancement)</i></p> <p>Question: What is the reason of enhancing Financial Literacy initiatives?</p>	
<p>Financial Market Customer service Investment Strategies for Wealth Creation Budgeting skills Personal Planning Budgeting Handling money Budgeting Making Savings Income for young people</p>	<p>Different groups have been targeted and empowered on how to utilise well their income now and in future</p>	<p>2. Financial education for sustainability</p>		

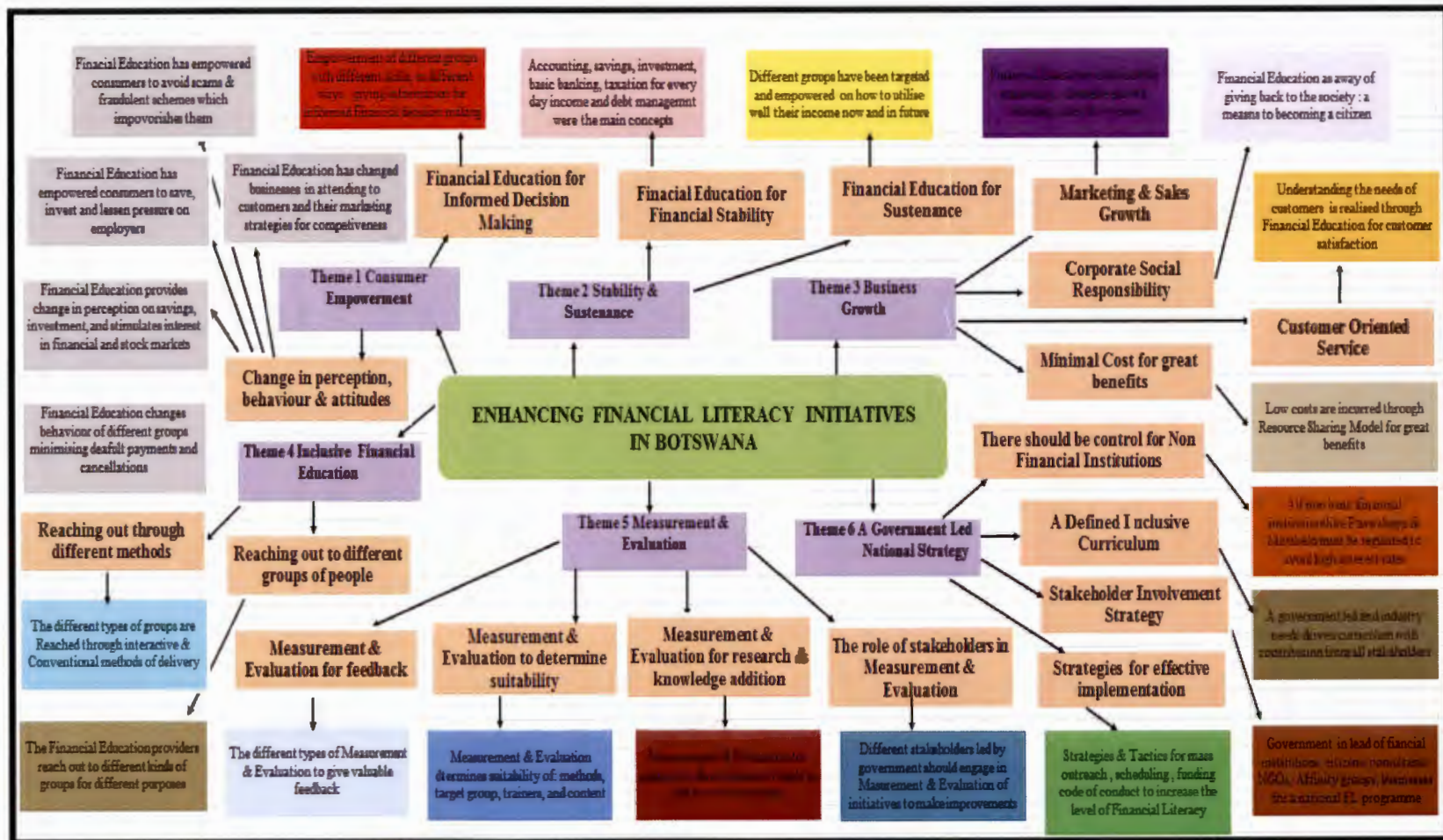
Marketing strategies Branding	Financial education utilised marketing, clientele growth, branding, sales & Revenue	1. Marketing & Sales growth	3. FINANCIAL EDUCATION FOR BUSINESS GROWTH <i>(Reason for enhancement)</i> Question: What is the reason of enhancing Financial Literacy initiatives?
Customer needs Customer satisfaction Products & Services	Understanding the needs of customers is realised through Financial education for customer satisfaction	2. Customers Oriented Service	
Corporate Social Responsibility Understanding the Communities Giving back	Financial education as a way of giving back to the society: a means towards becoming a citizen	3. Corporate Social Responsibility (CSR)	
Different Types of Costs Benefits Resource Sharing and Planning	Low cost are incurred through Resource Sharing Model for great benefits	4. Minimal cost for great benefits	
Mass media related methods Social Media New Technology Classroom Methods Reading & self - empowerment Effective Methods Future Methods to Explore	Reaching out through both interactive & Conventional methods	1. The different types of groups are Reached through interactive & Conventional methods of delivery	4. INCLUSIVE FINANCIAL <i>(Beneficiaries and how to reach them)</i> Question: Who may benefits from enhancing Financial Literacy initiatives?
Factors for low levels of financial literacy Challenges faced by different income earners Young people & personal Finance Retirement issues	Reaching out to different Income Earners, young people, different age & gender, educational background, employees and affinity groups	2. Financial education providers reach out to different kinds of groups for different purposes	

Employee empowerment Affinity groups and personal finance				
Measurement & Evaluation tools Feedback Types of Measurement & Evaluation Monitoring	The different types of Measurement & Evaluation give valuable feedback	1. Measurement & Evaluation for feedback	5. MEASUREMENT & EVALUATION <i>(Strategy for enhancement)</i> Question: How may Financial Literacy initiatives be enhanced? Question Who may enhance Financial Literacy initiatives?	
Types of Measurement and Evaluation Monitoring Group segmentation Interactive methods	Measurement & Evaluation determines suitability of : methods, target groups, trainers, and content	2. Measurement & Evaluation to determine suitability		
The value of Research Measurement & Evaluation Feedback tools Impact analysis Types of assessment	Measurement & Evaluation for research & development of tools to add to new knowledge	3. Measurement & Evaluation for Research and Knowledge addition		
Measurement & Evaluation Framework The role of different stakeholders in Measurement & Evaluation Different types of Measurement & Evaluation	Different stakeholders led by Government should engage in Measurement & Evaluation of the Initiatives	4. The role of different stakeholders in Measurement & Evaluation		
The law and Financial Literacy Government role in Financial Education Interest rates in an unregulated environment	All non- banking sectors like Motshelo & Pawn shops must be regulated to avoid high interest rates on borrowing	1. There should be regulations for non - financial Institutions		
Role of citizens in Financial Literacy The role of financial institutions in Financial Literacy	Government leading financial institutions, citizens, consultants, NGOs, affinity groups , business for a national financial	2. Stakeholder Involvement Driven Financial Literacy Strategy	6. GOVERNEMENT LED NATIONAL <i>(strategy for</i>	

<p>The role of government Stakeholders involvement Financial Education The role of financial consultants in Financial Education</p>	<p>literacy programme</p>		<p>enhancement) Question: How may Financial Literacy initiatives be enhanced?</p>	
<p>Curriculum Role plays in the development of the curriculum Beneficiaries of FL Curriculum The role of the Ministry of Education in the FL Curriculum Effective methods Training of Experts Methods must be suitable for target group Review of content Content contextualise to target group Group segmentation Mass Financial education Group segmentation Affinity groups Mass financial education Group segmentation</p>	<p>A government led and industry needs driven curriculum with contribution from all stakeholders</p>	<p>3. A Defined inclusive curriculum</p>	<p>Question Who may enhance Financial Literacy initiatives?</p>	
<p>Reaching out to the masses Scheduling of activities Code of conduct for FE providers and recipients Dealing with low levels Earning power Financial initiatives Factors for Low</p>	<p>There should be strategies on reaching the masses, scheduling, code of conduct, funding and increasing levels of financial literacy</p>	<p>4. Tactics for effective implementation</p>		

levels of Financial Literacy				
ENHANCING FINANCIAL LITERACY INITIATIVES IN BOTSWANA				

Figure 5-13: Convergence of themes towards Enhancement



5.12 Chapter Summary

This chapter presented the findings and results of the qualitative analysis. The approach used for qualitative analysis is thematic and the thematic networks. There are six themes being: Theme 1 Theme 1 Consumer Empowerment Theme 2 Stability & Sustainability, Theme 3 Business Growth Theme 4 Inclusive Financial education Theme 5 Measurement & Evaluation Theme 6 Government led National Strategy. Variables for quantitative analysis were also identified in this chapter and a questionnaire for quantitative phase of the study was developed. The next chapter contains the results for quantitative data analysis.

CHAPTER 6 QUANTITATIVE RESULTS ANALYSIS AND INTERPRETATION

6.1 Introduction

This study is characterised by a Mixed Method Research approach with an Exploratory Sequential Design of qualitative (QUAL) research and quantitative research (QANT). The preceding chapter was on the qualitative thematic analysis in which six themes were identified. This chapter therefore connects to the first results and presents the second results of this study having utilised a Factor Analysis for quantitative data.

6.2 Section 1 Background Information

This section as it was explained in chapter four was important to understand the demographics of the individuals who participated in the study. The questions form the independent variables of in the questionnaire. This is because in the literature review these were identified as some of the factors which affect the level of financial literacy like: educational background, gender and age. The dependent variables obtained from the qualitative analysis were measures against these independent variables to assess if these have influence on the level of financial literacy on the individuals. There were a total number of 400 respondents obtained by cluster sampling as has informed by the QDA that these were the groups targeted for financial education.

6.2.1 Respondents

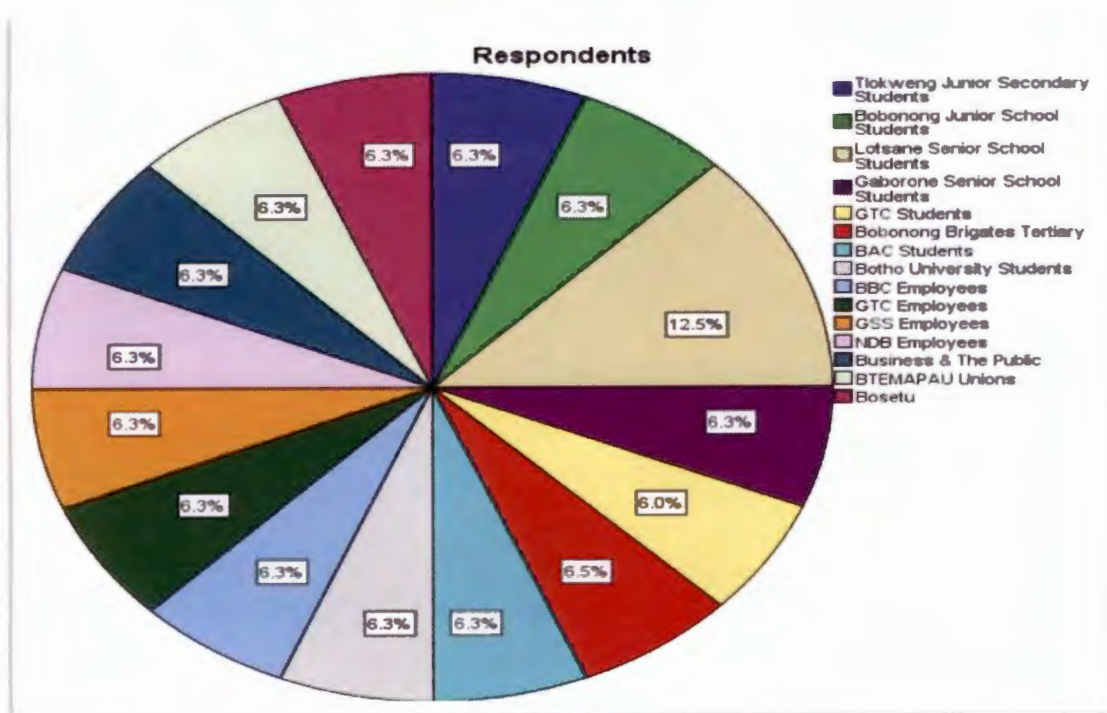
The respondents who participated were categorised as Junior Secondary Schools, Senior Secondary Schools, Tertiary Schools, Employees, Small Businesses, and the Public.

a) Junior Schools- Tlokweng Junior Secondary School (6.3 %,) Bobonong Junior Secondary School (6.3 %,))

b) Senior Secondary Schools – Lobatse Secondary School (6.3 %,) Lotsane secondary School (12.5 %,))

- c) Tertiary Schools - Bobonong Brigades Centre (BBC) (6.3 %), Botswana Accountancy College (BAC) (6.3 %), Botho University (6.3 %), Gaborone Technical College (GTC) (6.0 %),
- d) Employees – GTC, (6.3 %), Employee BBC, (6.3 %), Employee GSS, (6.3 %) Employee National Development Bank (6.3 %),
- e) Business and the Public - obtained from businesses mentored and trained by LEA while members of the Public were provided by First Issues.

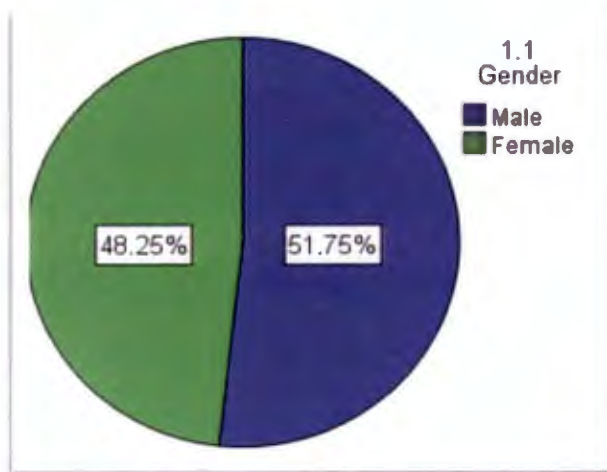
Figure 6-1: Respondents



6.2.2 Section 1.1 Gender

The number of males who responded to the questionnaire is greater than females by 3.5%. This may mean that males have much of response rate than the females. Only a 6% of the respondents are at the age of retirement. The gender distribution is illustrated in the pie hart in figure 6.2.

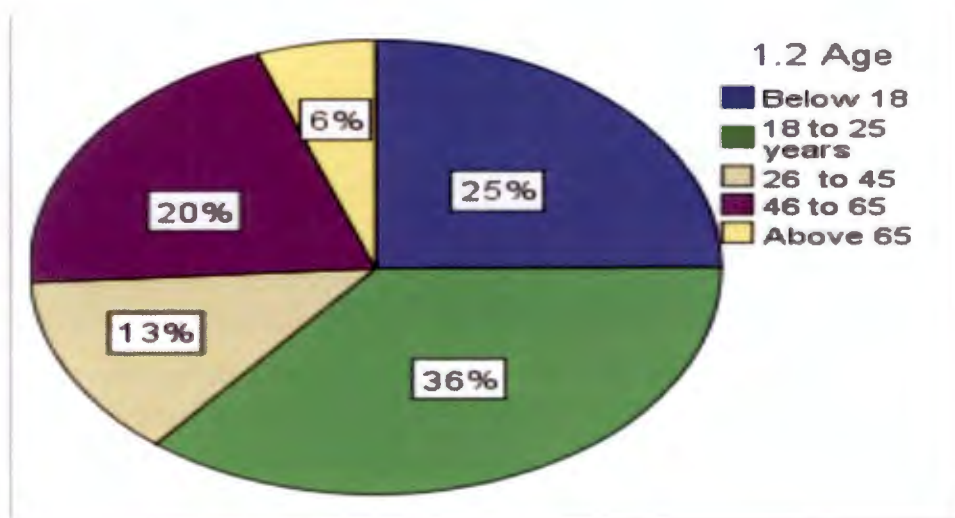
Figure 6-2: Gender



6.2.3 Section 1.2 Age

Respondents aged 18 to 25 are many with 36% because a lot of the initiatives targeted young people, and they are part of the larger sample. A pie chart below illustrates how the respondents were distributed according to their ages.

Figure 6-3: Age

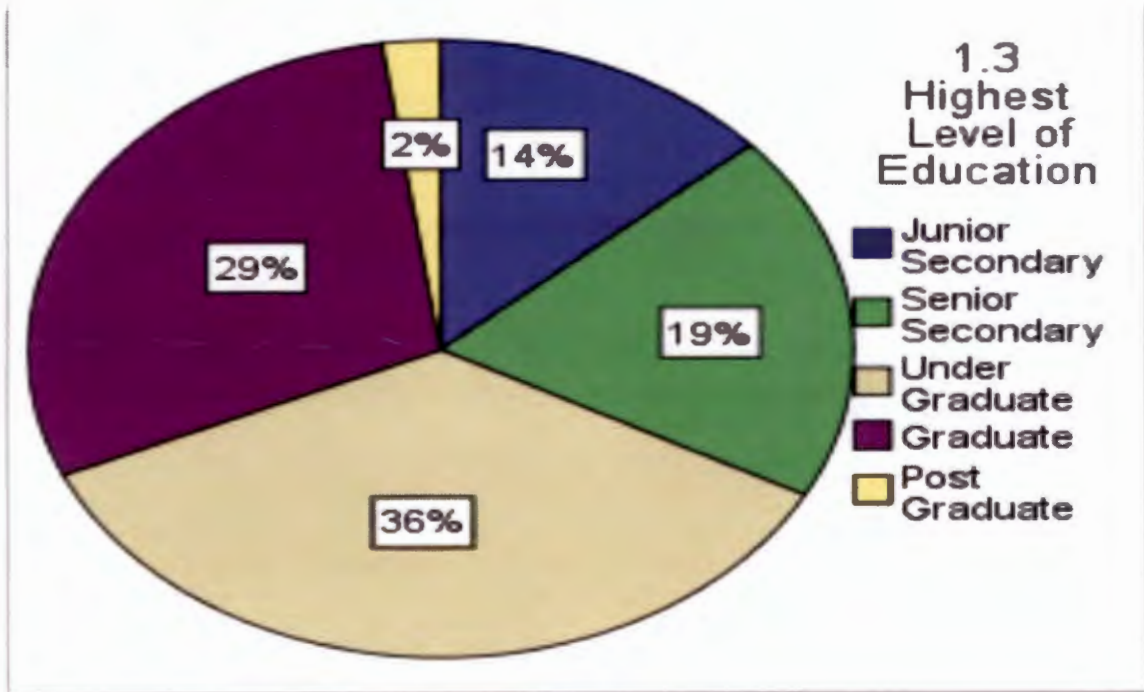


6.2.4 Section 1.3 Highest Level of Education

Figure 6.4 reflects that 36% of the respondents are undergraduates and only a 2% post graduates. 29% of them are graduates and have gone through tertiary education. This could have an impact in their interpretation of financial concepts.

In doing the cross sectional analysis of this and self –assessment and also with that of performance test it however did not come up clearly as to whether this is an influence factor or not. Groups of people could belong anywhere in the cluster groups identified after cluster analysis in section 3 and Section 4.

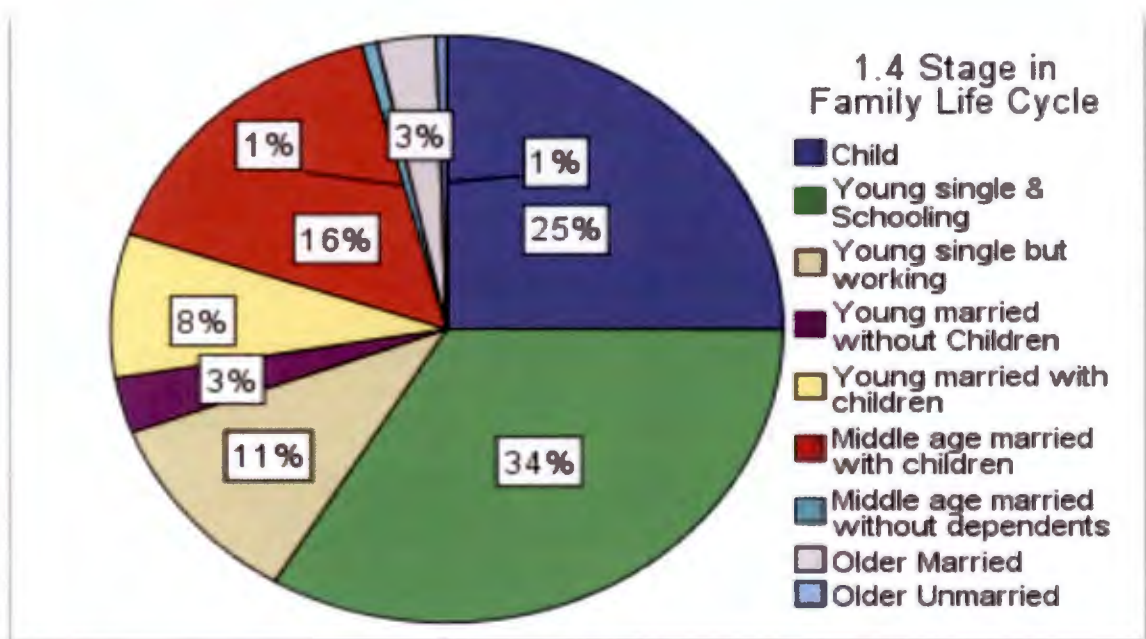
Figure 6-4: Highest level of education



6.2.5 Section 1.4 Stages in family cycle

The stages in family often reflect the “teacher able moments” (OECD/INFE (2015: 8) and the needs when analysed further with other questions. – It is later revealed in this chapter that young people are in need to be taught budgeting, savings and investments while still at junior schools. **Figure 6.5** Stages in family life cycle reflect this and also reveals their needs. Only 3% of the respondents show that they do not have dependents while larger percentage of 34% are young people, single & schooling, followed by children (25%) being almost 57% (under employment structure) only 2% short to the exact number of 59% of the dependents on income earners: being the sum of respondents child - 25% plus young single and schooling for 34%.

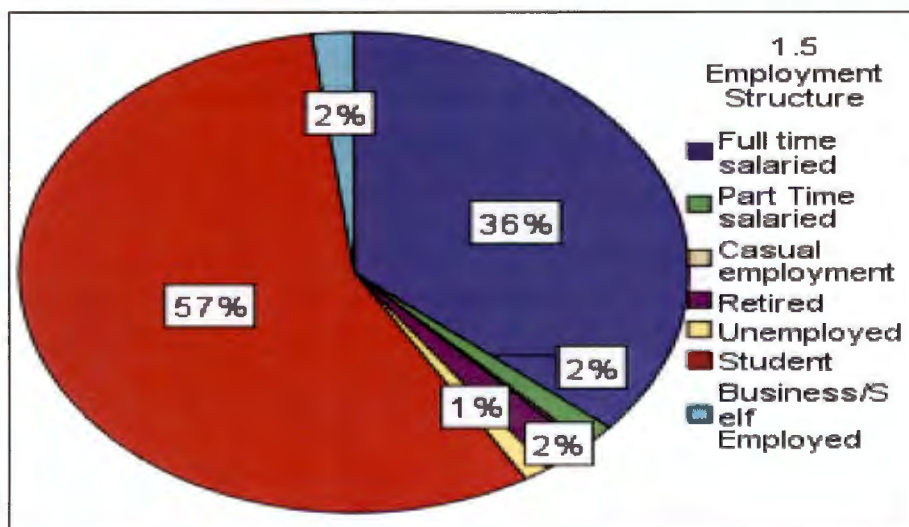
Figure 6-5: Stages in family life cycle



6.2.6 Section 1.5 Employment Structure

The results on Figure 6.6 show that 57% of the respondents are students and this is because there were of a larger sample from 3 different kinds of educational institutions junior secondary, senior secondary, and tertiary. They reflect also the %of people who need allowance either from parents or from school (government mainly) and being 57% gives a high the level of dependency on the income earners. There are only 36% of salaried people.

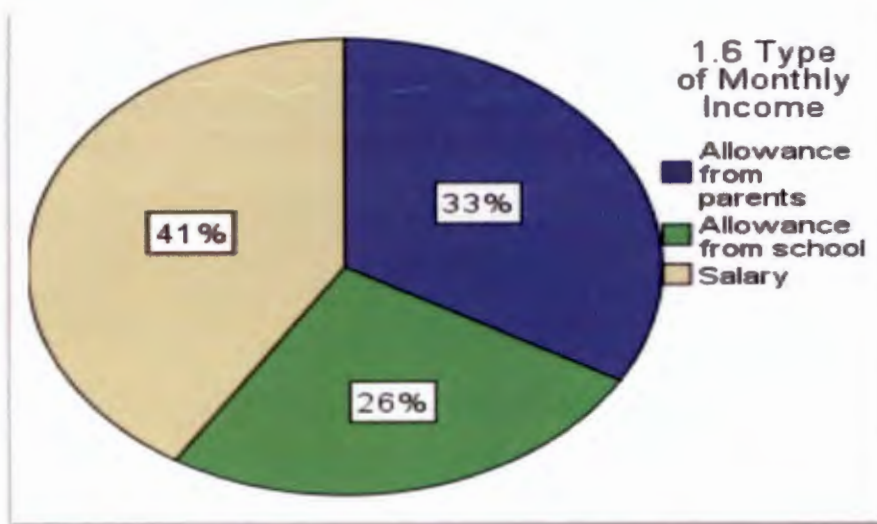
Figure 6-6: Employment Structure



6.2.7 Section 1.6 Type of Monthly Income

This pie chart in figure 6.7 illustrates type of income the respondents earn. It indicates that 33% of the respondents depend on their parents for income while the larger percentage earns a salary. The pie chart demonstrates that all respondents have an income to spend, yet 33% and 41% may be using the same source as the 33% are dependent on the salaried constituting 41%. Only 26% are assisted by the government with allowance from school (both public and private educational institutions have student allowances paid by the government).

Figure 6-7: Type of Monthly Income



6.2.8 Section 1.8 Monthly Expenditure to Monthly Income

The Figure 6.8 contains information for section 1.8, section 1.9 and 1.10 in the questionnaire and the findings and analysis of the bar graph is presented below. For Monthly expenditure to income the figure shows that only 1% of the respondents for the question Section1.8 monthly expenditure to monthly income spent (41% to 50%). They are followed by 4% (51to 60%) while only 9% spend between (81to 90%). The highest number of respondents 44% spend (71to 80%) of their income while the 42% of the respondents are in the category of (1% to 10%). This is a polarisation of the respondents and unexpected results and the difference between those who spend less and those who spend (71to 80%) is 2%. Still it does show through the 42% that there is a culture of spending by the

consumers. It could be reducing as it means they are able reserve 20% for either investment or savings.

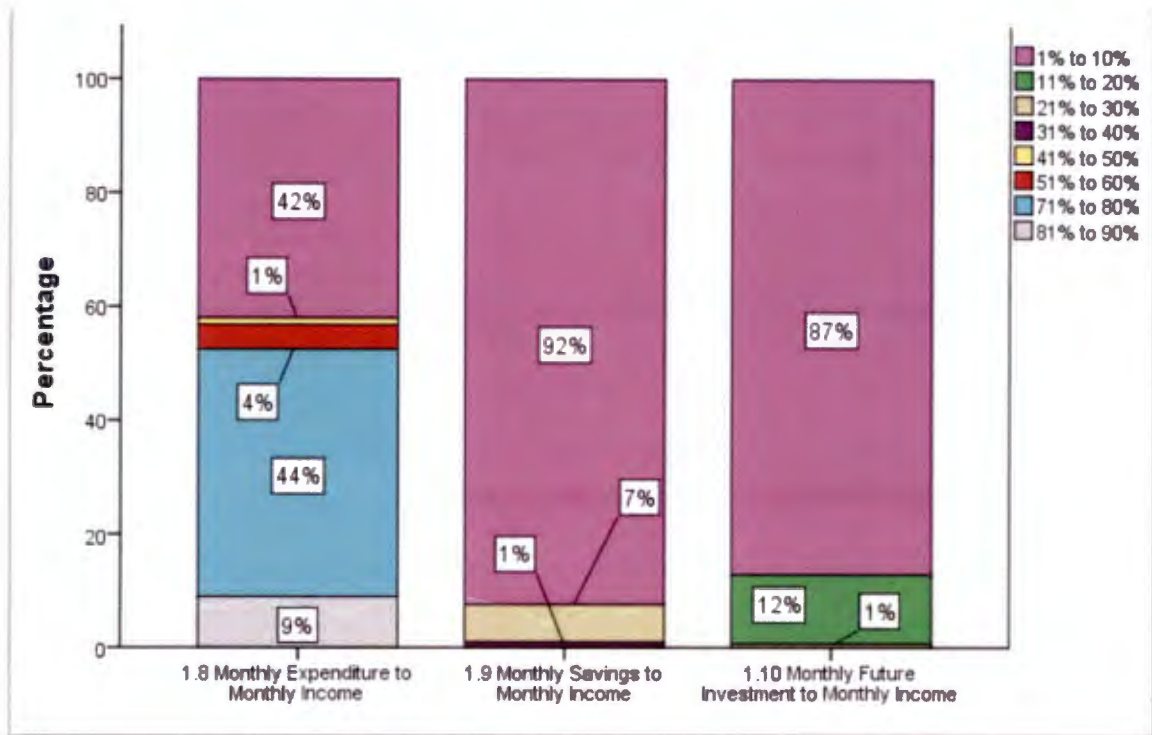
6.2.9 Section 1.9 Monthly Savings to Monthly Income

The highest number of respondents which is 92% are able to save within (1% to 10%) of their income. This relates to the above question that within the range of 1% and 20% of the income is reserved. Munnell, Webb, and Hou (2014:4) recommend the 14% for savings. This indicates that 90% of the respondents are 4% below the standard. Only 7% of the respondents save within the ranges of 21% to 30%. This is a large portion of saving but done by very few people, this relates to the above question indicating that not many people are prepared to save. Only a 1% of the respondents are in the range of (31% to 40%) indicating quite a thin number of people saving more than 30%.

6.2.10 Section 10 Monthly Future Investments to Monthly Income

The 87% of respondents falling in the range of investing between 1% and 10% is quite high reflecting that the willingness to invest is low just as the willingness to save more above. The **Figure 6.9** though show that a large number (68.8%) of them have a savings account, which may mean that they are willing to save but not that much as indicated by **Figure 6.8**. Only 12% are prepared to invest above 10% (10% to 20). The extreme shown by 1% have gone to 21% (21 to 30%). The interpretation is that not many people are willing to invest for future and may not prepare for retirement. The bar graph in Figure 6.9 below demonstrates their earning (income) as opposed to expenditure.

Figure 6-8: Income Vs Expenditure



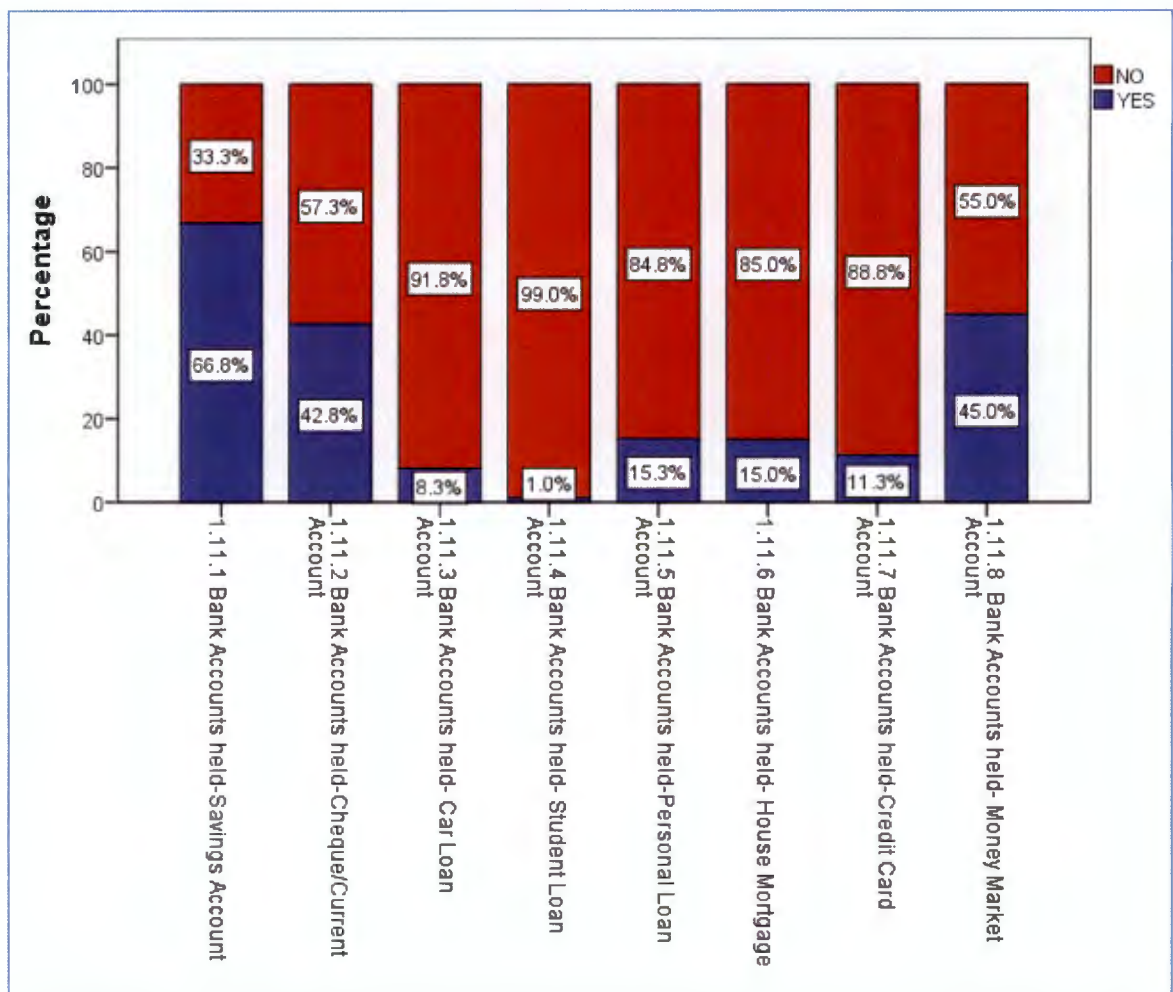
6.2.11 Section 1.11 Type of Accounts possessed by Respondents

The respondents were asked to indicate the type of account they have with the bank: this may reflect financial inclusion in the financial services industry. **Figure 6.9** reflects the types of accounts the respondents have. Most (68.8%) of the respondents have a savings account which may reflect that the culture of savings as one of the desired outcomes of financial literacy has started. 42% of them which is almost half have a current or cheque account yet 57% reflect that they have no such an account which may mean that they are unbanked and financially excluded.

Elaborating further In terms of the loan account, car loan (99.8% no & 8.3% yes) students loan, (99% no & 1% yes) and personal loans (84.8% no & 15.3% yes), mortgages (85% no & 15% yes), and credit account (88.8% no & 11.3% yes) most of the respondents do not possess them. This could mean that the level of indebtedness is low. Respondents also show that they participate in the share market as almost half of them have a money market account. This may reflect a

positive impact of financial education on the value of shares. The intuitions offering financial education may be doing well sensitising the public to invest on shares. The literature review indicates that one of the reflectors of low levels of financial literacy is lack of participation in the stock market (Lusardi Rooij and Alessie 2007:5). Since the results show participation the level of financial literacy on that regard is improving. Their answers on most of them in section 4 concerning PIO (what it stands for) reflect some literacy on shares. The bar graph in **Figure 6.9** below demonstrates the types of accounts which the respondents possess.

Figure 6-9: Types of Accounts

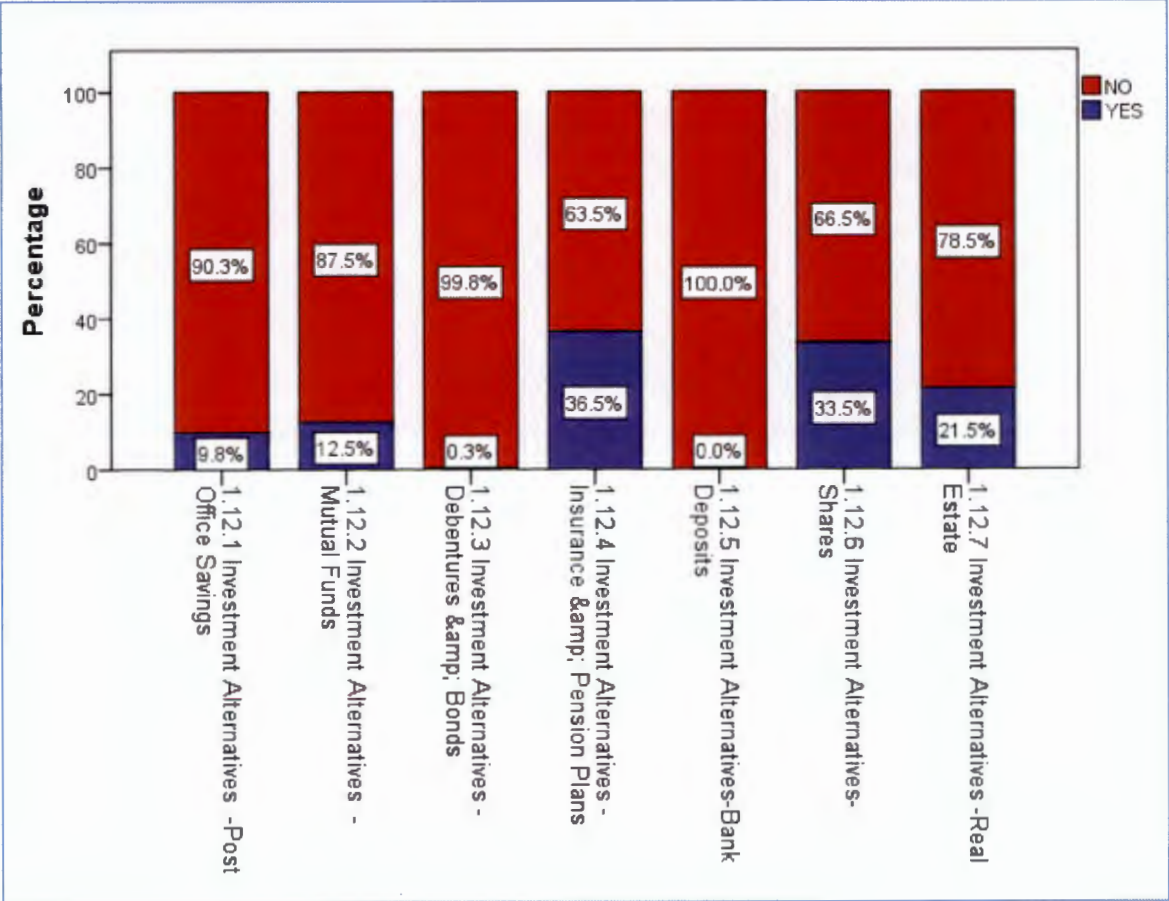


6.2.12 Section 1.12 Types of Investment Alternatives

Considering the types of investment which the respondents could have, none of them have bank deposits. This could mean they are not interested in them or the

deposits are not that common. High percentages are shown as no, which reflects that most of the respondents have their portfolios less diversified. The percentage on debentures and bonds is quite low 3% reflecting a priority area for mutual funds companies and investment companies to teach potential clients. The insurance is in the lead with 36.5 % a priority identified to have not been given attention in the literature review on Botswana research in chapter 1 (Sparkassenstiftung für internationale Kooperation (2007:26) Fanta (2015:7) has also stressed the need for insurance because “financial literacy involves awareness of financial products such as bank accounts, savings vehicles, and credit and insurance products.” The insurance sector may have responded well to filling the gap identified by (Sparkassenstiftung für Internationale Kooperation (2007:26). The number of respondents on insurance is followed by investment alternatives if shares which may reflect what has already discussed above on participation in the market. **Figure 6.10** below shows the investment alternatives the respondents have:

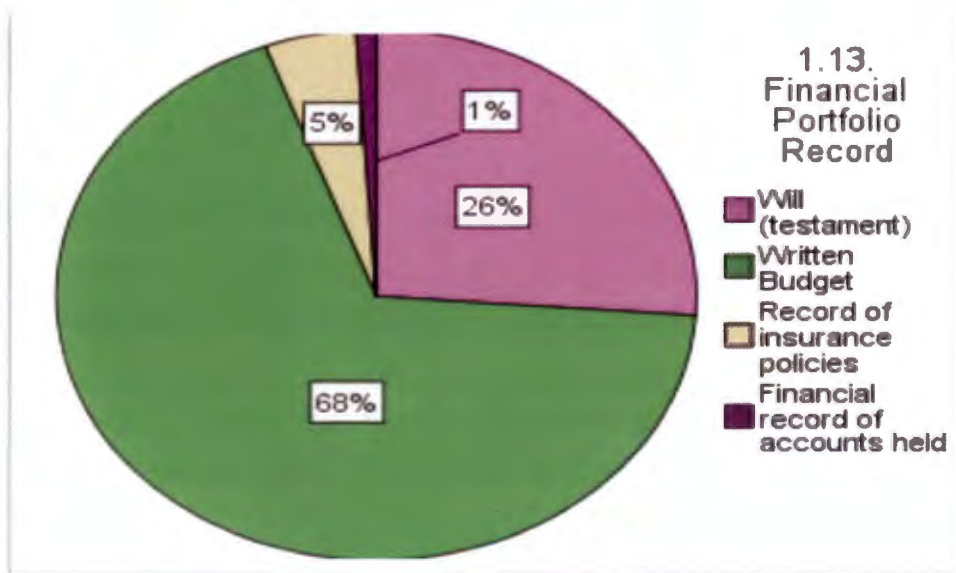
Figure 6-10: Investment Alternatives



6.2.13 Section 1.13 Financial Portfolio Record

Financial records reflect how an individual is committed to budgeting and arranging their personal financial life. In **Figure 6.11** 5% of the respondents have a record of their insurance policies or they use this to keep a record of their finances. 26 percent has a will Testament, while 68% have a written budget. The number is significantly high and could mean that financial education has made people aware that budgeting is a fundamental skill towards better financial decision making. This concur with the results of the thematic analysis (theme 1- consumer empowerment) showing that budgeting is practiced and viewed as an important record in personal financial management. This show that respondents “keep track” (Robson 2012: ii Kempson et al 2005 and Atkinson, et al, 2006). Lyons et al (2006:399). Only 1% reflected in **Figure 6.11** of the respondents has a record of financial records of accounts held. One of the ways of keeping records being asset inventory had not been significantly chosen by the respondents to yield a significant percentage to assess.

Figure 6-11: Financial portfolio record



6.3 Section 2 Type of Investor

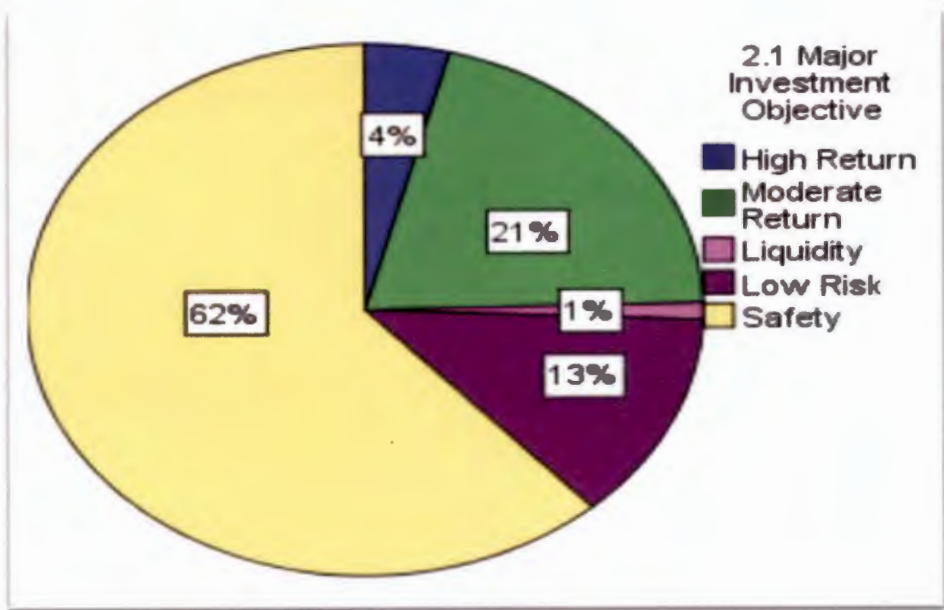
Section two of the questionnaire intended to determine if the recipients of financial education have goals and are willing to invest, take risk (their risk appetite). The respondents had to reveal if they are of high return, moderate

return, liquidity, low risk or they tend to be risk averse (safe). The results have shown that most of the respondents are not high risk -takers, they would “rather play it safe”.

6.3.1 Section 2.1 Major Investment Objective

Most of the respondents (62%) would like to invest safely. There are only 1% of them who prefer liquidity, while 4% have a high appetite for investment, and 21% of them desire to be moderate, 13% have chosen to be in the low risk category. This is an indication that Batswana do not want to risk their incomes but it could also mean the warnings from the providers of financial education on bogus investments have alerted them to be careful. The pie chart **Figure 6.12** below indicates the respondent’s major investment objectives.

Figure 6-12: Major Investment Objective

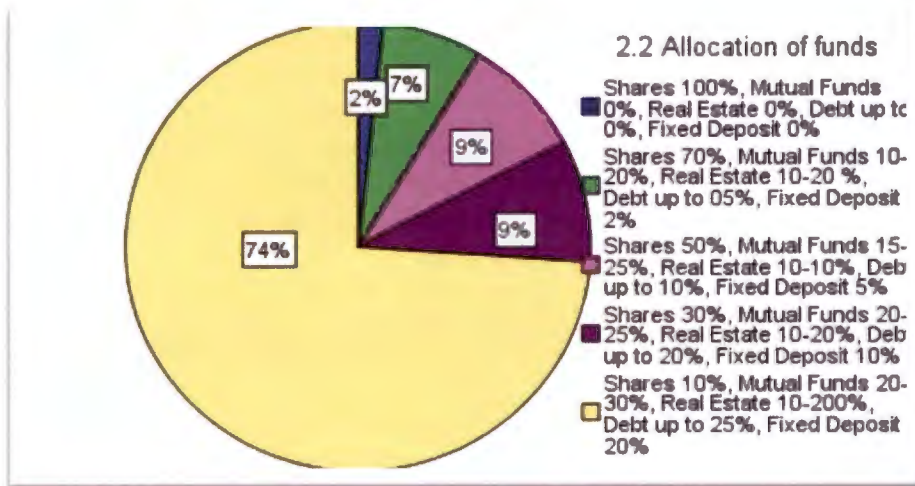


6.3.2 Section 2.2 Allocation of Funds

As reflected by **Figure 6.13** most of the respondents (74%) have allocated their funds to be 10% Shares, with 20% - 30% for mutual investments, real estate 10% - 20% with debentures up to 25% and fixed deposit for 20%. These results do not correlate well with the account held by the respondents hold as less of them have

debentures and mutual funds. Other allocations have the number of respondents less than 10 %

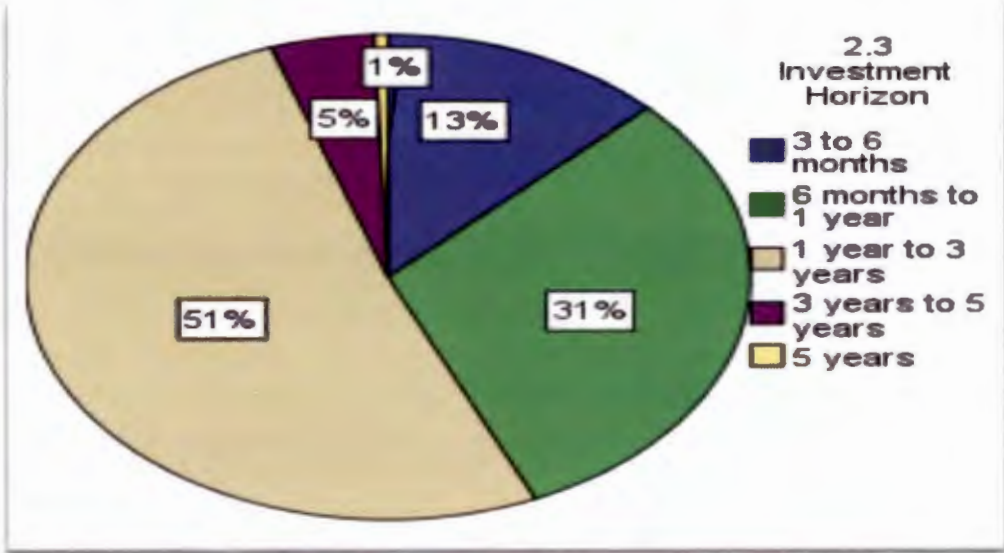
Figure 6-13: Allocation of Funds



6.3.3 Section 2.3 Investment Horizon

As observed from **Figure 6.14** Most of the respond 51% would like to invest for period of 1 year to 3 years. This means steady investments and longer periods to earn interest but it may also reflect their apprehension to investment hence playing it safe as reflected by their investment objective shown in **Figure 6.12**. Only 1% of the respondents do not desire to invest for a longer period of time of over 5 years while 13% of them prefer short term investments. A sizable number of them 31% also prefer 6 months but not more than a year. 31% of the respondents prefer six months to one year while only 5% of them. The figure below shows their investment horizon.

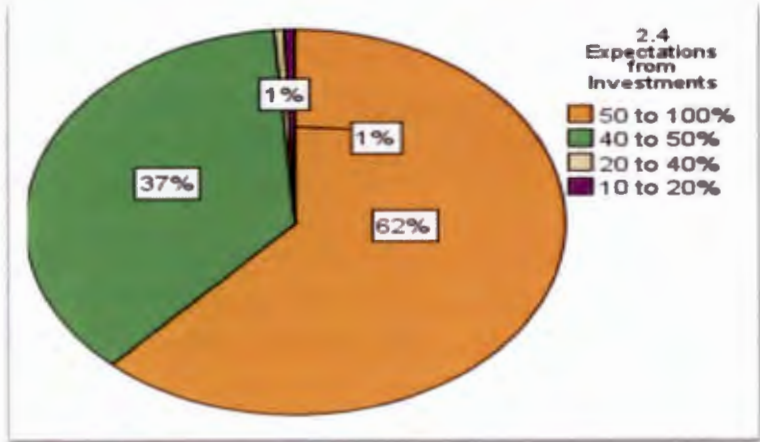
Figure 6-14: Investment Horizon



6.3.4 Section 2.4 Expectations from Investments

This **Figure 6.15** show a large percentage of 62% of respondents who would like to have a high return of (50% to 100%). Their expectations do not tally well with their risk appetite because in **Figure 6.14** and **Figure 6.15** it shows that they are afraid of risk and they would like to be safe. The figure below shows the expectations of the respondents on return on investments.

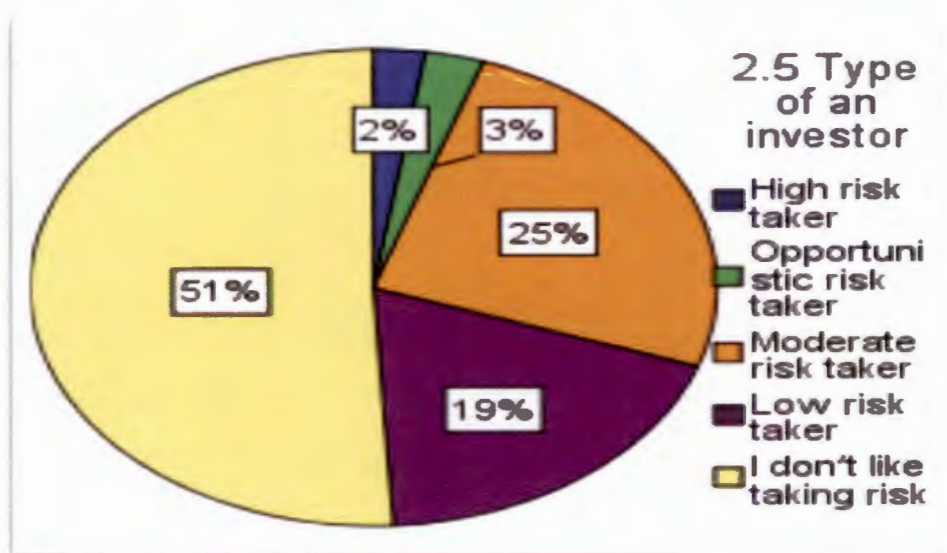
Figure 6-15: Expectations from Investment



6.3.5 Section 2.5 Expectations from Investors

As in conjunction with **Figure 6.12** indicating being afraid of taking risk, the respondents show **Figure 6.16** has a high percentage (51%) of people who do not like taking risk. Only a 2% of them are high riskers like the opportunistic while 25% are moderate in taking risk. The pie chart below show the type of investors there are amongst the respondents. 19 %of them are low risk takers and adding to the percentage of those who do not like taking risk it means 70% of the respondents have no or low appetite for investment.

Figure 6-16: Type of investor



6.4 Section 3 Financial Literacy Self- Assessment

The self - Assessment as explained in chapter three were used so that the respondents measure their own level of understanding financial concepts and constructs. The test how confident they are about what they know.

6.4.1 Cronbach's Alpha- Measure of Internal Consistency

To be able to carry on with the analysis the instrument was tested for validity using the Cronbach's Alpha. Cronbach's Alpha as stated by Tavakol and Dennick (2011: 1) is conducted to provide a measure of the internal consistency of a test or scale; it is expressed as a number between 0 and 1. Internal consistency describes the extent to which all the items in a test measure the same concept or

construct and hence it is connected to the inter-relatedness of the items within the test. Internal consistency should be determined before a test can be employed for research or examination purposes to ensure validity. Table 6.1 below shows that the items in the questionnaire are excellently reliable meaning it is an accurate and precise to provide the same results when repeated. Golafshani (2003:2) says that reliability is about consistency of the instrument when used again and yields the same results.

Table 6-1: Reliability Cronbach's Alpha

Reliability Statistics	
Cronbach's Alpha	N of Items
.923	42

Table 6.1 shows that the items included in this instrument are excellently reliable (92.3%).

6.4.2 Kaiser-Meyer-Olkin Measure of Sampling Adequacy

The Kaiser-Meyer-Olkin is the measure of sampling adequacy, which varies between 0 and 1. The values closer to 1 are better and the value of 0.6 is the suggested minimum. The Bartlett's Test of Sphericity is the test for null hypothesis that the correlation matrix has an identity matrix. Taking this into consideration, these tests provide the minimum standard to proceed for Factor Analysis.

Table 6-2: Correlation KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.858
Bartlett's Test of Sphericity	Approx. Chi-Square	14171.980
	df	861
	Sig.	.000

Table 2 shows that the correlation matrix for these items is factorable (Significant Bartlett's test: $p < 0.05$). The KMO shows that the sample is very adequate ($KMO > 0.7$).

6.4.3 Confirmatory Factor Analysis

According to Hahs-Vaughn (2016:374) in factor analysis there are a number of orthogonal rotation techniques available in statistics software. Orthogonal rotation being useful as a type of factor analysis which means the taxis is placed in a different position for easy predictability. Hahs-Vaughn (2016:374) says that once data is extracted it is most always the case that the solution be rotated in order for it to be interpretable. If the factors are not rotated, areas will lie between the clusters of variables and will not clearly differentiate to primary fact. Yong and Pearce (2013:84) also say factors are rotated for better interpretation since unrotated factors are ambiguous. The orthogonal include varimax, quarthrimax and Equamax. Among these in this study the Equamax has been applied Abdi (2000:4) because it is a rotation which is a compromise between varimax and quartimax. It bridges and minimises the shortfalls of the two as it simultaneously supply them (Hahs-Vaughn 2016:374). Principal Component Analysis was utilised for reduction and extraction of factors before Confirmatory Factor Analysis.

6.4.4 Principal Component Analysis

According to Abdi and Williams (2010:1) Principal Component Analysis (PCA) is a multivariate technique that analyses a data table in which observations are described by several inter-correlated quantitative dependent variables. Eigenvalues which is the "Guttman rule" is used to reduce these variable to avoid redundancy and dealing with variables with less influence on the results (Warne and Larsen 2014:1) According to Warne and Larsen (2014:1) Guttman (1954) proposed that in an EFA, all factors with eigenvalues greater than 1.0 should be retained. However it has now come to be described as K1 rule method to have been further developed by Kaiser (1960) Kaufman and Dunla, Ledesma & Valero-Mora (2000:389) and according to this rule, only the factors that have eigenvalues greater than one are retained for interpretation. In this study reduction is based on Kaiser's rule of eigenvalues greater than 1 (in the column labelled Total). Therefore **table 6.3** suggests 9 factors rather than the initially proposed 10. This is displayed in component 10 in the initial Eigenvalues less than 1 at 0.95 hence omitted as redundant for self-assessment test.

Table 6-3: Eigenvalues and self -assessment

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	11.26	26.809	26.809
2	5.167	12.304	39.112
3	3.486	8.3	47.412
4	2.609	6.211	53.623
5	1.997	4.754	58.377
6	1.63	3.88	62.257
7	1.262	3.004	65.261
8	1.198	2.853	68.114
9	1.151	2.741	70.855
10	0.954	2.271	73.126

After reduction of the above from 42 variables the 9 factors extracted explained a cumulative loading of **70.8555%** of variability of confidence is detected in self-assessment measuring how confident the respondent is about his knowledge skills, attitudes and behaviours. This is quite adequate since Fook, Narasuman, Rahman, Sidhu and Fong, (2015) indicate 50% to be acceptable. The initial factors were not satisfactory because as Hahs –Vaughn (2016: 375) write, there should be three variables per factor to warrant interpretation. **Table 6.4** shows the initial factor matrix. It can be noticed that in the initial matrix most of the items are congested to the first three factors, some factors do not even have any items whereas others have fewer than the recommended minimum of three items. As such factor rotation was necessary to better the initial solution. The Equamax rotated solution in **Table 6.5** is relatively better than the initial solution in **Table 6.4** since the items are distributed fairly across the factors. Therefore, the rotated factor matrix in **Table 6.5** is accepted as final.

Table 6-4: Initial matrix for self -assessment

	1	2	3	4	5	6	7	8	9
Savings	0.527	0.283	0.118	0.045	0.204	0.335	0.033	0.264	0.414
Budgeting	0.415	0.078	0.155	0.04	0.438	0.297	0.25	0.285	0.2
Bank Accounts	0.284	0.016	0.336	0.252	0.413	0.077	0.23	0.183	0.35
Taxation	0.322	0.071	0.379	0.273	0.329	0.143	0.329	0.064	0.082
Saving Culture vs Spending	0.658	0.028	0.123	0.219	0.037	0.304	0.076	0.294	0.162
Reason for Use of Debit Card	0.571	0.347	0.205	0.201	0.214	0.113	0.189	0.133	0.339
Method of Paying Credit Card Bills	0.442	0.028	0.577	0.283	0.006	0.028	0.076	0.092	0.064
Return to the supplier	0.574	0.099	0.193	0.102	0.413	0.119	0.205	0.028	0.125
If I receive poor service I complaint to management	0.509	0.18	0.032	0.129	0.481	0.042	0.139	0.05	0.063
Consult Professional Broker on investments	0.501	0.036	0.052	0.068	0.226	0.098	0.26	0.363	0.141
Consult books magazines and newspapers	0.581	0.01	0.2	0.072	0.185	0.209	0.202	0.143	0.276
Tracking my spending	0.37	0.506	0.203	0.009	0.146	0.215	0.059	0.248	0.163
Paying bills on time	0.325	0.478	0.374	0.14	0.039	0.15	0.252	0.294	0.307
Reading bank account statements regularly	0.507	0.511	0.176	0.142	0.093	0.057	0.152	0.17	0.127
Preparing a will or testament	0.157	0.648	0.248	0.05	0.321	0.091	0.096	0.129	0.102
Contributing to a retirement fund	0.301	0.694	0.04	0.169	0.101	0.051	0.251	0.003	0.069
Comparison shopping for a personal loan	0.412	0.673	0.069	0.232	0.155	0.029	0.014	0.153	0.153
Keeping an emergency fund	0.133	0.64	0.344	0.29	0.063	0.214	0.112	0.144	0.002
Shopping around for the best prices	0.374	0.706	0.113	0.257	0.209	0.109	0.042	0.028	0.082
Following a monthly budget	0.429	0.629	0.104	0.144	0.32	0.153	0.004	0.07	0.037
Adjusting my tax return every year	0.363	0.663	0.103	0.141	0.075	0.012	0.108	0.09	0.202
Mixing or diversifying my investments	0.373	0.5	0.265	0.14	0.263	0.169	0.177	0.231	0.057
Discipline in use of money	0.529	0.151	0.229	0.269	0.103	0.194	0.008	0.051	0.049
Confidence in financial decision making	0.536	0.293	0.431	0.28	0.176	0.205	0.09	0.137	0.062
Consistency in saving for a purpose	0.551	0.436	0.412	0.317	0.081	0.216	0.141	0.114	0.095
Stability and effective debt management	0.548	0.343	0.39	0.37	0.048	0.256	0.018	0.011	0.123
Living within my means	0.426	0.158	0.204	0.334	0.186	0.162	0.194	0.226	0.234
Consistency in planning and budgeting	0.584	0.403	0.317	0.381	0.073	0.216	0.029	0.077	0.034
I am able to calculate interest on my savings	0.224	0.14	0.468	0.027	0.387	0.275	0.238	0.323	0.166
I am able to read my monthly statement	0.787	0.161	0.029	0.418	0.106	0.04	0.039	0.115	0.091
I am able to compare my receipts	0.805	0.157	0.044	0.388	0.103	0.033	0.022	0.108	0.086
I am able read over and understand	0.616	0.055	0.345	0.543	0.133	0.129	0.052	0.027	0.09
I am able to read over and understand	0.639	0.024	0.323	0.538	0.092	0.134	0.08	0.015	0.1
I am able to read about shares	0.413	0.114	0.555	0.209	0.023	0.098	0.038	0.077	0.051
I work extra hours to meet bills and expenses	0.516	0.132	0.417	0.331	0.235	0.456	0.209	0.008	0.099
I miss important events to work	0.52	0.13	0.423	0.299	0.261	0.462	0.203	0.028	0.086
I contribute to a savings account regularly	0.859	0.076	0.05	0.047	0.186	0.204	0.023	0.069	0.089
I find legal ways to lower my taxes	0.613	0.168	0.345	0.182	0.021	0.307	0.097	0.102	0.173
I comply with tax regularly	0.832	0.105	0.05	0.036	0.196	0.189	0.072	0.088	0.077
I read to increase my financial knowledge	0.666	0.091	0.043	0.2	0.211	0.131	0.1	0.144	0.081
I use overdraft for my payments every month	0.091	0.059	0.074	0.138	0.149	0.061	0.58	0.384	0.29
Contribute to investment fund	0.577	0.194	0.527	0.183	0.07	0.176	0.131	0.126	0.141

Table 6-5: Extracted factors after rotation

	1	2	3	4	5	6	7	8	9
FACTOR 1									
Discipline in use of money	0.617								
Confidence in financial decision making	0.776								
Consistency in saving for a purpose	0.839								
Stability and effective debt management	0.845								
Living within my means	0.63								
Consistency in planning and budgeting	0.821								
FACTOR 2									
Contributing to a retirement fund		0.603							
Comparison shopping for a personal loan		0.803							
Keeping an emergency fund		0.658							
Shopping around for the best prices		0.816							
Following a monthly budget		0.764							
Adjusting my tax return every year		0.747							
Mixing or diversifying my investments		0.473							
FACTOR 3									
Saving Culture vs Spending			0.68						
Return to the supplier			0.534						
Consult books magazines and newspapers			0.499						
I am able to read my monthly statement			0.553						
I am able to compare my receipts			0.559						
I find legal ways to lower my taxes			0.576						
I comply with tax regularly			0.594						
I contribute to a savings account regularly			0.63						
FACTOR 4									
Taxation				0.432					
I work extra hours to meet bills and expenses				0.303					
I miss important events to work				0.897					
FACTOR 5									
Bank Accounts					0.667				
Method of Paying Credit Card Bills					0.701				
I am able to read about shares					0.624				
Contribute to investment fund					0.653				
FACTOR 6									
Tracking my spending						0.635			
Paying bills on time						0.834			
Reading bank account statements regularly						0.661			
FACTOR 7									
Savings							0.755		
Budgeting							0.784		
FACTOR 8									
Consult Professional Broker on investments								0.616	
I am able read over and understand								0.499	
I am able to read over and understand								0.508	
I read to increase my financial knowledge								0.466	
I use overdraft for my payments every month								0.77	
FACTOR 9									
Reason for Use of Debit Card									0.621
If I receive poor service I complaint to management									0.418
Preparing a will or testament									0.477
I am able to calculate interest on my savings									0.708

6.5 Factors Self –Assessment Confidence Test

Naming factors is not easy Yong and Pearce (2013:81). This is much more difficult for a rotation of equamax because it is a combination of the other

orthogonal rotation types (Varimax and quartimax) Hahs –Vaughn (2016:373) and that naming were originally meant for varimax. The naming correlating variable belonging to a factor may even be meaningless. In this study the researcher use language skills considering word associations, contrasts and relations in naming the factors as there are no specified rules for the task. This is testified by Yong and Pearce (2013:91) writing “Naming of factors is more of an ‘art’ as there are no rules for naming factors, except to give names that best represent the variables within the factor.” The following are the factors, then the tables showing how the factors were named and how the graphs were interpreted:

Table 6-6: Nine Factors named

Factor		Name of Factor
1	Factor 1	Improvement on behavioural attitudes towards money
2	Factor 2	Importance of financial behaviour
3	Factor 3	Actions towards reducing spending and making savings
4	Factor 4	Taxation with extra income and expenses
5	Factor 5	Banking and managing accounts
6	Factor 6	Tracking and reducing spending
7	Factor 7	Factor 7 Saving through basic accounting
8	Factor 8	Consultation and utilising information
9	Factor 9	Utilising Services for stability and sustainability

6.5.1 Factor 1 Improvement on behavioural attitudes towards money

The variables for behavioural improvement in this factor (rating from 1-3 not improved, improved to highly improved) comprise of variables: 3.10.1, Discipline in use of money 3.10.2. Confidence in financial decision making, 3.10.4 consistency in saving for a purpose, 3.10.5 stability and effective debt management, 3.10.6 living within my means, 3.10.7 consistency in planning and budgeting. The factor excluded 3.10.3 which is not reduced and not extracted. The main topic is rating behavioural improvement and therefore named as thus.

Table 6-7: Improvement on behavioural attitudes towards money

FACTOR	NAME	VARIABLE NUMBER	VARIABLE
Factor 1	Behavioural Attitudes Improvement	3.10.1	Discipline in use of money
		3.10.2	Confidence in financial decision making
		3.10.4	Consistency in saving for a purpose
		3.10.5	Stability and effective debt management
		3.10.6	Living within my means
		3.10.7	Consistency in planning and budgeting

Figure 6.17 indicates how respondents have judged their level of improvement on behavioural attitudes after receiving financial education under 3.10.1 discipline in use of money it is revealed that the highest number of respondents at 75.31% believe to have “improved” while only 24.68% is shared by those who said highly and not improve. This means a large number of them are confident that they have discipline in the use of money at a total of 87% this is a good number yet a large number some of the groups like the youth in the performance test showed a contrast. The respondents have also indicated (3.10.2) confidence in making financial decision making with 80.35% believing to have improved. Only 7.305% have “highly improved” in making financial decision making but together with the 80.35% of those who have improved gives 87.655% which is a good percentage of the number of respondents who have shown a positive impact on behavioural attitudes towards making financial decision about money after financial education.

The figure continues to reveal that “improved” has a larger percentage than the rest on 3.10.4 consistency in saving for a purpose. 80.35% of them have ‘improved’ while only 8.312% have “highly improved”. This 80.35% is second in the number of respondents in ‘improved’ compared to their judgement on (3.10.6) living within my means. Though it has response rate lower than “highly improved” in (3.10.1) discipline in use of money by 4.028% it has a greater percentage of respondents for “highly improved” than in (3.10.2) confidence in making financial decision making 7.305%, (3.10.5) stability and effective debt

management 6.54%, (3.10.6) living within my means 5.793% (3.10.7) consistency in planning and budgeting 5.808%. In overall it can be said that a large number 88.66% of them believe to improved their behavioural attitudes towards saving money than before.

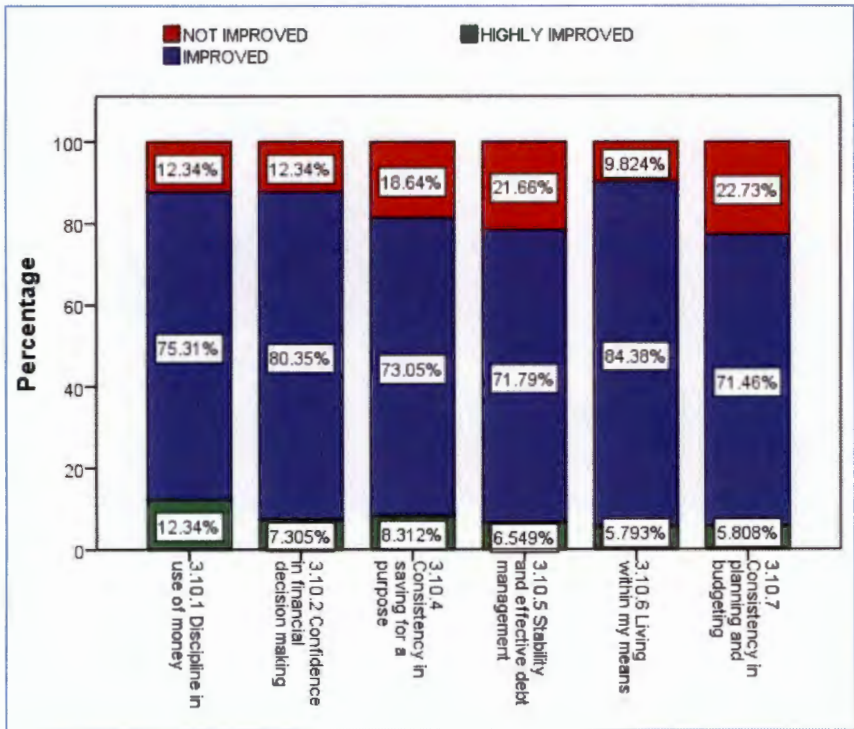
In (3.10.5) stability and effective debt management the trend is the same as the other variables with improved getting a large percentage of respondents. Most of them 70.79% believe to have 'improved' in managing their debts effective then before receiving financial education. 21.64% believed to have not improved which is greater than those in 3.10.1, (3.10.2) confidence in financial decision making, (3.10.4) consistency in saving for a purpose and (3.10.6) living within my means. However the number is less than those who believe have not improved in (3.10.7) consistency in planning and budgeting by 1.07% for 22.73%.

Figure 6.17 also reveal the results of how many respondents have rated their not improved, improved and highly improved in (3.10.7) consistency in planning and budgeting. Like other variables the highest number is in the category of improved with 71, 46%. Compared to other variables this is the lowest rate of those who have answered improved with a margin of 12.92% from the 84.38% of (3.10.6) living within means. This indicates that people have not have made the least improvement in planning and budgeting. The other respondents are with the highest 22.73% among the other variables on 'not improved' recording the second lowest 'highly improved' For the behavioural attitude of (3.10.6) living within means, the largest number of respondents 84.38% who have improved is recorded. This has contributed to the other scales of 'not improved' with 9.824% and 'highly improved' with 5.793 % to have low response percentages even when compared to the rest of response in other variables.

Generally the number of respondents on the scale improved is at least over 70% on all the variables which indicates that positive impact from their perspective. From figure 6.17 it is revealed that when comparing and contrasting the spread of respondents for the scale not improved, improved and highly improved, the highest percentage is presented is on "improved" with 84.38% of respondent. Most respondents believe to have "improved on (3.10.6) "Living within means" since financial education. The lowest at the scale level of improved is 71.46% on

the variable consistency in planning and budgeting giving a range of 12.92% between the two. The highest percentage for the scale “highly improved” is on discipline on use of money with 12.34% of respondents while the lowest for the scale is 5.793% for (3.10.6) “Living within means” giving a range of 6.61%. Comparing all the variables on the scale of ‘not improved” the highest percentage is on 3.10.7 consistency in planning and budgeting with 22.73% of respondents while the lowest is 9.824% of respondents on variable ‘living within my means”. It can then be concluded that 92.173% believe to live within their means.

Figure 6-17: Improvement on Behavioural Attitudes



6.5.2 Factor 2 Importance of financial behaviour

Factor 2 contains variables for importance of financial behaviour (rating from 1-5 *undecided, not important, important, very important, and highly important*) 3.9.6 contributing to a retirement fund, 3.9.7 Comparison shopping for a personal loan, 3.9.8 keeping an emergency fund, 3.9.9 shopping around for the best prices, 3.8.10 following a monthly budget, 3.9.11 adjusting my tax return every year, 3.9.13 mixing or diversifying my investments. It has not accommodated a correlation itself with 3.9.1 tracking my expenses and 3.9.2 paying bills on time which are found in factor six correlating with tracking and reducing spending.

Variables 3.9.4 and 3.9.12 have been reduced bearing no consequence in analysis. The factor is named importance of financial behaviour to be retained as thus from initial naming of variables in the instrument because there are no additions which warrant change.

Table 6-8: Importance of financial behavioural

FACTOR	NAME	VARIABLE NUMBER	VARIABLE
Factor 2	Importance of Behaviour	3.9.6	Contributing to a retirement fund
		3.9.7	Comparison shopping for a personal loan
		3.9.8	Keeping an emergency fund
		3.9.9	Shopping around for the best prices
		3.9.10	Following a monthly budget
		3.9.11	Adjusting my tax return every year
		3.9.13	Mixing or diversifying my investments

Figure 6.18 Factor 2 above illustrates factor 2 of Importance of Behaviour with respondents to have shown how they rate the importance of behaviours personal financial management tabulated above in **table 6.7**. For 3.9.6 contributing to a retirement fund, 66.80% have respondents undecided on its importance while 16.60% feel it is very important, 14.57% think it is important and the least number 2.024% of respondents view the behaviour as not important. The **figure 6.18** has a general picture of the respondents in each of the variable to be more inclined to undecided. The highest number of respondents (82.10%) undecided about a behaviour is recorded for (3.9.8) keeping an emergency fund for at least three months living expenses. An indecision of this kind shows people are not yet willing to put aside funds for rainy days. Oakley and Gicheva (2017:13) advise to do so for the short term or for retirement income as it improves individual living standards and promotes economic growth.

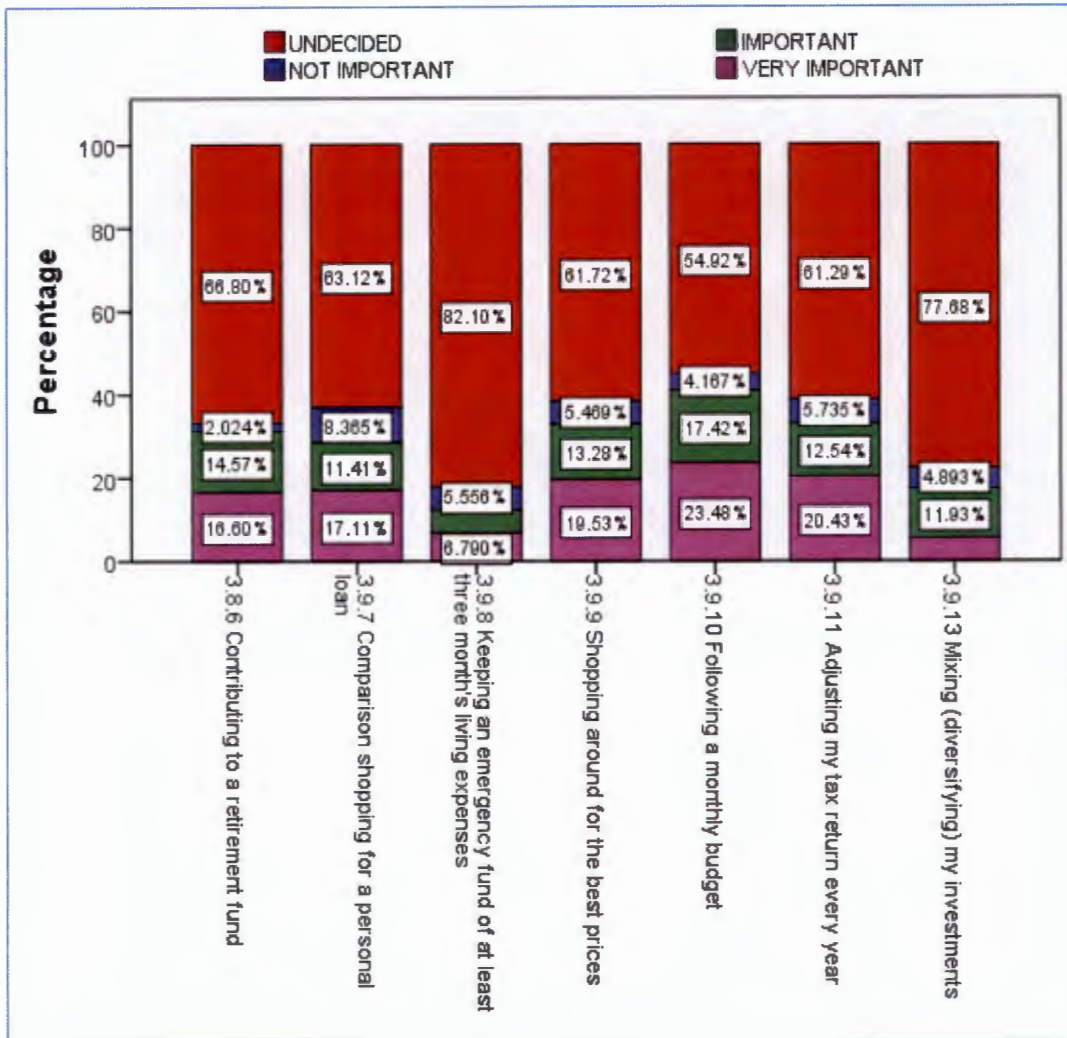
The second highest number (77.68%) of respondents who are undecided about behaviour is on (3.9.13) *mixing or diversifying my investments*. People must make decisions to mix portfolio so that they do not put their investments at risk in one fund. According to Wilmington Trust (2016:1) the crisis has taught new ways of diversification such as across economic sectors and geographic regions, as

well as perhaps non-traditional assets. The variable has lowest number of respondents attaching *very important to mixing portfolio* at 5.56%. In deciding the importance of (3.9.7) comparing shopping for a personal loan, the respondents 63% are undecided and 8.365% are think it is not important to shop around which means a large number of respondents 71.365% could possibly using the loan facility without making comparisons to get low interest or other benefits which could accompany getting a loan e.g. – insurance. Only 17.11% think it is very important, while 17.41% say it is important reflecting only 28.52% have attached importance to comparison shopping for a personal loan.

Making comparisons for a loan is as important as (3.9.9) shopping around for the best prices yet the trends is still similar with the highest percentage of undecided 61.72% than attaching importance to the financial behaviour- 19.53% though say it is very important which a percentage more than in many of the variables (3.9.6) – 16.60%, (3.9.7) – 17.11%, (3.9.8) – 6.790% and (3.9.13) - 5.56%. Following a monthly budgeting (3.9.10) also indicates the same pattern like the rest with many respondents having undecided though it has the lowest percentage of 52.92% than any of them.

It also has the highest percentage (23.48%) of respondents who view following a monthly budget as very important. With 23.48%) added to those who think following a monthly budget is important (17. 42%) making a sum of 40.9% a number which supersedes the sum totals of the rest: (3.9.6) – 31.17%, (3.9.7)- 28.52% , (3.9.8) - 12.346%, (3.9.9)- 32.81%, (3.9.11)- 37.90% and (3.9.13)- 19.67%. The responses for 3.9.11 adjusting my tax return every year are that 20.43% of respondents viewed the behaviour as very important. It is the second highest percentage following that of 3.9.10 following a monthly budget. The undecided are at 61.29% and like the rest of the variables those who view it as not important and undecided has the highest number of respondents (66.759%). To conclude factor 2, respondents are undecided about all the financial behaviours which could mean they do not attach importance in carrying them out.

Figure 6-18: Importance of financial behaviour



6.5.3 Factor 3 Actions towards reducing spending and making savings

The variables contained in factor 3 are inclined to behaviours, attitudes and abilities which show actions towards either spending or saving. The factor contains **3.2 saving vs spending** on a scale 1-5: 3.2.1 very spending-oriented, hardly ever saving money 3.2.2 somewhat spending oriented, saving money 3.2.3 neither careful nor spending oriented 3.2.4 somewhat careful, and seldom saving money 3.2.5 very careful, saving money whenever I can. The variable in 3.2 correlate with 3.7.1 measuring frequency of consultation on a scale 1-3 *never, sometimes, always* 3.7.5 return to the financial product supplier, of which 3.7.2 return dysfunctional product to the supplier has been reduced while 3.7.3 is factored in number 9 services for now and future. The variable 3.7.1 is inclined to saving as returning what does not suit needs assist in recovering spending rather than keeping something which not utilised. The other variable is 3.8.5

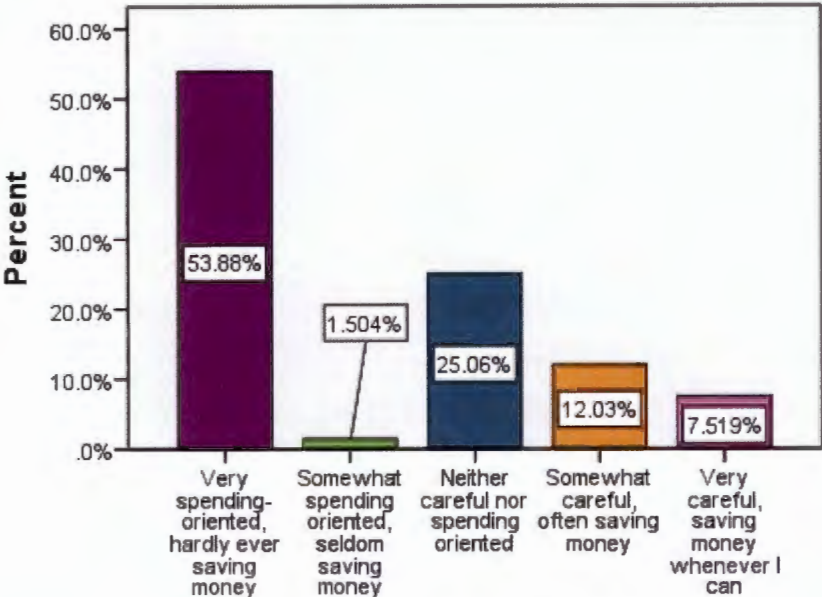
consult books magazines and newspapers – reading about spending and savings. The other variables are from 3.11 with a likert 1-5 *not so true to very true of me*. These are 3.11.2 I am able to read my monthly statement and 3.11.3. I am able to compare my receipts the two helping the consumer to get the idea where they spent or made savings. It excluded others in 3.11 with 3.11.1 factored at 9 services for now and future, 3.11.4, 3.11.5 at number 8 correlating with consultation and managing information while 3.11.6 is at number 5 banking and managing accounts. The rest of the variables are from 3.12 with a likert scale 1-5 *not so true to very true of me*. These are: 3.12.5 I find legal ways to lower my taxes 3.12.6 I comply with tax regularly which are a ways of avoidance (saving from spending on tax) and a way of avoiding charges from evasion of tax. They are accompanied by 3.12.4 I contribute to a savings account regularly- steady savings. The other variables in 3.12 are absorbed by other factors with 3.12.1 I have parents/friends/ core workers 'bail me out' of debts and 3.12.9 I hide from creditors reduced not made significant for the analysis in any of the factors. Hence the factor is about spending versus saving.

Table 6-9: Actions towards reducing spending and making savings

FACTOR	NAME	VARIABLE NUMBER	VARIABLE
Factor 3	Actions towards reducing spending and making saving	3.2.1	Very spending-oriented, hardly ever saving money
		3.2.2	Somewhat spending oriented, seldom saving money
		3.2.3	Neither careful nor spending oriented
		3.2.4	Somewhat careful, often saving money
		3.2.5	Very careful, saving money whenever I can
		3.7.1	Return to the financial product to supplier
		3.8.5	Consult books magazines and newspapers
		3.11.2	I am able to read my monthly statement
		3.11.3.	I am able to compare my receipts
		3.12.5	I find legal ways to lower my taxes
		3.12.6	I comply with tax regularly
		3.12.4	I contribute to a savings account regularly

The following figure (figure 6.19) describes 3.2 with the variables self-rating on savings and spending for factor 3 actions towards spending and saving.

Figure 6-19: Self-rating on savings and spending

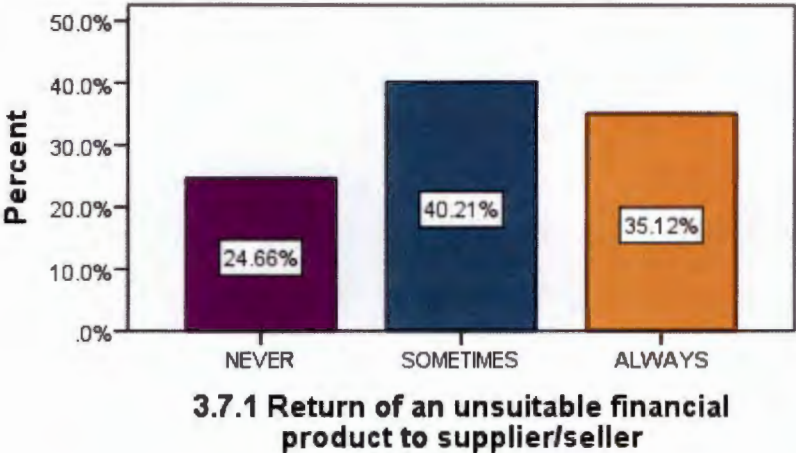


3.2 Self rating on Saving vs Spending

The figure reveals 58.88 % of respondents are (3.2.1) very spending-oriented, hardly ever saving money. This is the largest number than the response rate towards (3.2.2), somewhat spending oriented, seldom saving money at 1.504%, (3.2.3) neither careful nor spending oriented at 25.06%, (3.2.4) somewhat careful, often saving money at 12.03%, (3.2.5) very careful, saving money whenever I can at 7.519%. The culture of spending over saving is still prevalent as opposed to what has been reported in qualitative analysis.

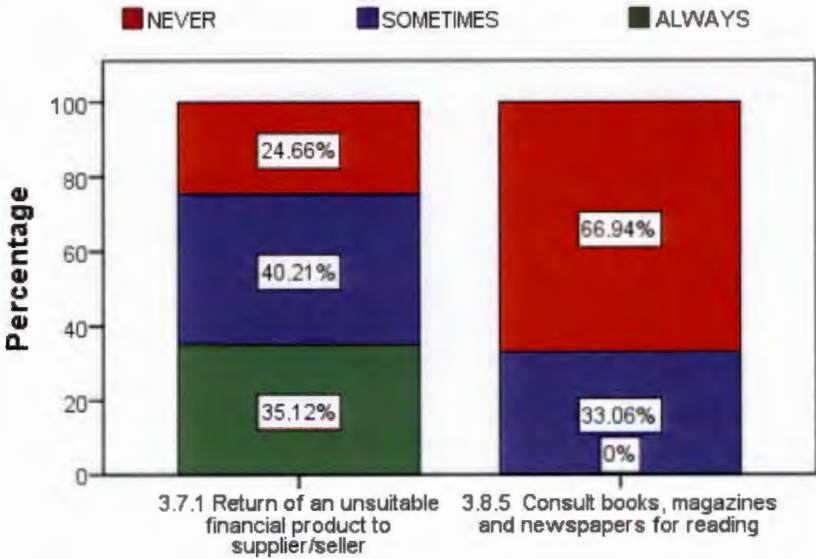
Ways of recovering money spent include being able to exercise consumer rights and return unsuitable products **Figure 6.20** below indicates 24.66% of respondents never return the unsuitable products, 40.21% do it sometimes while 35.12% do the desirable by always returning it- the percentage is less than half which could mean many unsuitable products are paid for yet not utilised. Many of the financial products like insurance are serviced monthly or annually with premiums sometimes accruing with at least 10% annually to cover the rise of inflation rates. Consumers must always revise their products and asses the value extracted from wat they pay for.

Figure 6-20: Return of an unsuitable financial product to supplier or seller



Factor 3 is also inclusive of the value placed on consultation with 3.8.5 consult books, magazines and newspapers for reading. Therefore the Figure 6.2.1 reveals that none of the respondents have made it a frequency of always reading. 33.06% are sometimes read while large groups reflect that they never read. The lack of reading means lack of advice on and they never get necessary information for on what to spend on or on savings. They may also never know available products and services which can be useful.

Figure 6-21: Returns and consultations



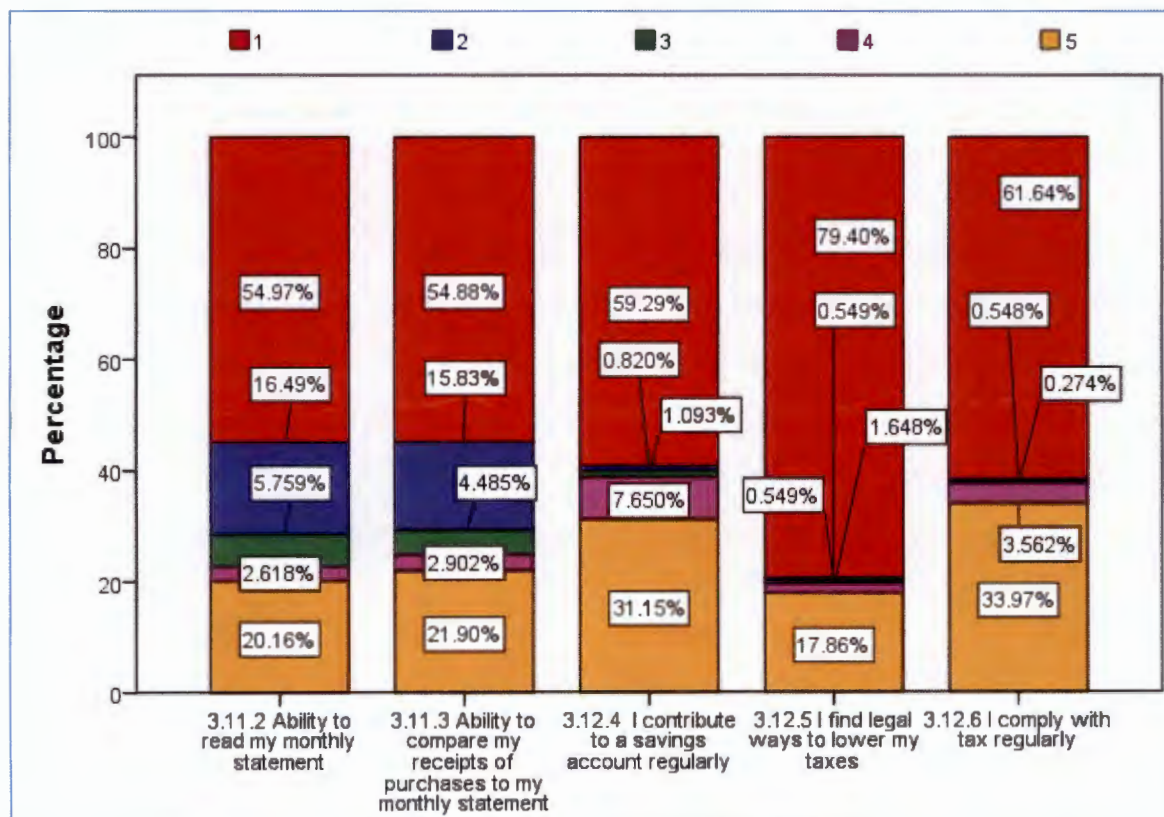
Factor 2 is further explained by Figure 6.22 reveal other actions which help towards reducing spending or increasing saving. Most of the respondents have selected the lowest rate showing that their abilities, or compliance, or actions towards reducing spending to be very low.

Actions: In 3.12.4 is about an action towards savings 59.29% of them feel it so not true of them to contribute to savings regularly. This indicates more than half of the respondents not engaged in an important action as savings stressing more the culture of spending. Only 31.15% of them feel it is not so true of them that they contribute to savings regularly. This is the same trend with other actions as the respondents seem to be tipping to the lowest scales. For instance 61.64% of the respondents feel it is so not true of them to comply with tax (3.12.6 I comply with tax regularly). Only a 33.97% reveal that it is very true of them that they comply with tax regularly. The implications for not complying may mean extra interest charges sometime while paying compliance never attracts charges hence it reduces unnecessary spending. Besides regular tax compliance, finding legal ways to reduce tax is valuable as it can contribute to savings. In responding to 3.12.5 I find legal ways to lower my taxes, 79.40% feel it is not so true of them that they try to reduce spending on tax. This implies lack of impact of financial education on taxation.

Abilities: In 3.11.2 I am able to read my monthly statement, has the connotation that the recipient of financial education will understand how they have spent or saved. This is also the same for 3.11.3 I am able to compare my receipts of purchases to my month statements will ensure checking correct entries for spending. This helps in keeping track and alerting the consumer on how to budget better. 54.97% feel it is not so true about them to read monthly statement and 54.88% also feel it not so true of them to compare receipts and statements. The items also have the same pattern as others recording the other extreme end of 'very true of me' at 20.16% (3.11.2) and 21.90% (3.11.3). The rest of the respondents are in the middle of the continuum of 'not so true of me' and 'very true of me'. This indicates that only a few people are able to read statement and even compare them to receipts of their purchases. The conclusion drawn for factor three is that consumers do not make much in their actions avoid spending.

– They still indicate more actions which show lack of compliance, lack of tracing their spending and savings, lack of reading books and lack eagerness to recover their spending from products unsuitable for their needs.

Figure 6-22: Abilities, and actions towards savings and reducing spending



6.5.4 Factor 4 Taxation with extra income and expenses

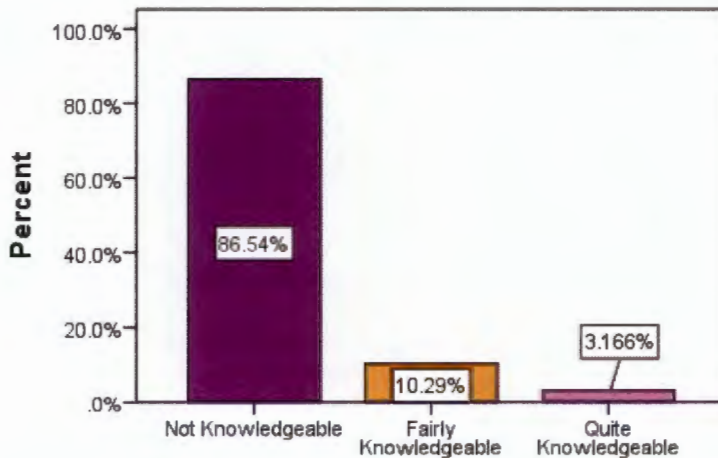
Factor four contains only three variables extracted from 3.1 and 3.12. The variable from 3.8 is on taxation rating level of knowledge with likert scale rating from 1-3 *not knowledgeable, knowledgeable and quite knowledgeable*. It correlates with 3.12.2 rating on truth about financial behaviour with a likert scale 1-5 *not so true to very true of me I work extra hours to meet bills and expenses, trying to cover up for spending yet with implications for more income more deduction income tax*. The factor also includes 3.12.3 *I miss important events to work from, changing life style trying to meet those expenses in 3.12.2*.

Table 6-10: Taxation with extra income for expenses

FACTOR	NAME	VARIABLE NUMBER	VARIABLE
Factor 4	Taxation with extra income for expenses	3.1.8.	Taxation
		3.12.2.	I work extra hours to meet bills and expenses
		3.12.3	I miss important events to work

Factor 4 is mainly about taxation (3.1.8.) taxation. **Figure 6.23** indicates 86.54% of respondents to have rated themselves as 'not knowledgeable', 10.29% have reveal they are 'fairly knowledgeable' and only 3.66% are quite knowledgeable. This shows that there is need for more initiatives on the topics for taxation. This contradicts the results of the qualitative analysis in which interviewees: **P18** *"Batswana have begun to show interest in taxation and have begun to question the amount of tax they pay hence keen to make their self- calculation/ assessment to verify deductions from their income:"*

Figure 6-23: Level of knowledge on taxation

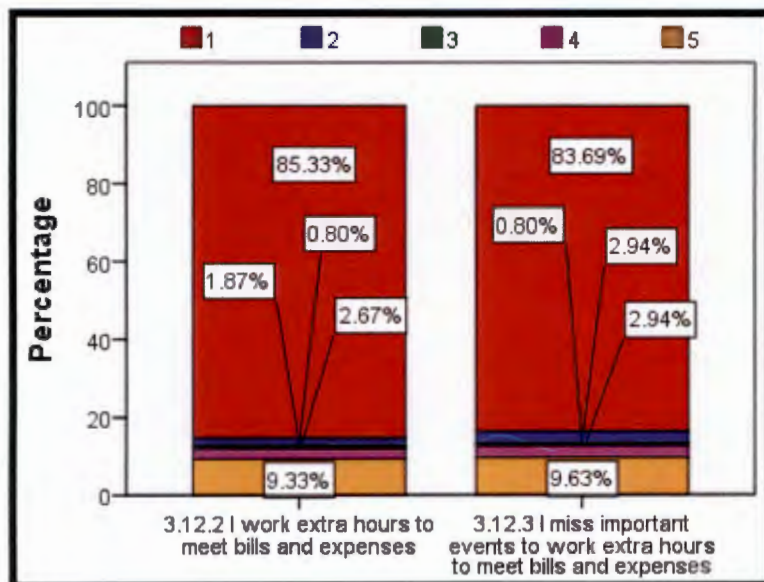


3.1.8 Level of Knowledge on Taxation

Figure 6.24 reveals that 85.33% of the people do not work extra hours to meet bills and expenses (3.12.2. I work extra hours to meet bills and expenses) and they also do not miss important events to work as 83.69% (3.12.3) I miss important events to work). This means most of them do not get further deductions for tax. At the same time they do not earn extra income to help them pay bills. It

could mean their income is sufficient or that they do not view it as a way to ease their budgets.

Figure 6-24: Extra incomes to pay expenses



6.5.5 Factor 5 Banking and managing accounts

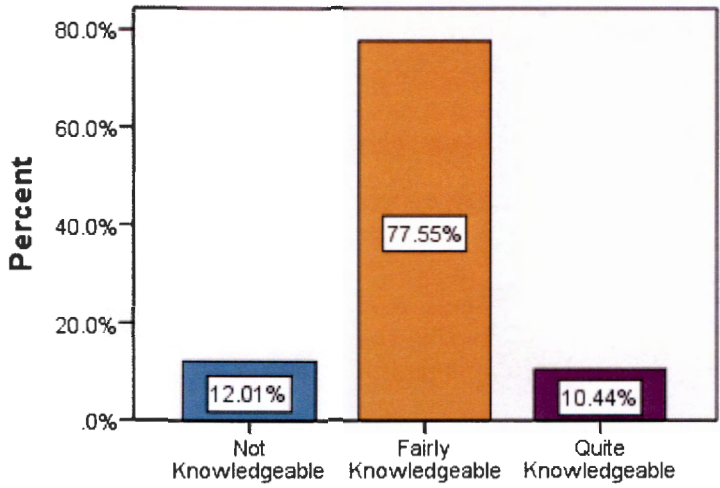
Banking and managing accounts has variables from 3.1, 3.5, 3.11, and 3.12. The variable 3.1.7 bank accounts rating level of knowledge with *likert scale rating from 1-3 not knowledgeable, knowledgeable and quite knowledgeable*. All other variables correlate with it and are associated with managing bank accounts. The factor has extracted all variables in 3.5 on managing a credit account with items measuring on 1-5 likert scale: 3.5.1 I do not have a credit card 3.5.2 pay when I receive a warning 3.5.3 I pay sometimes but before I receive a warning 3.5.4 I pay the minimum regularly and 3.5.5 I pay between the minimum and full amount regularly. The factor has added 3.11.6. I am able to read about shares measuring on a likert 1-5 *not so true to very true of me*, indicating ability to manage a money market account. There is also correlation with 3.12.10 contribute to investment fund also on a likert 1-5 *not so true to very true of me*, indicating ability to manage and service account.

Table 6-11: Banking and managing accounts

FACTOR	NAME	VARIABLE NUMBER	VARIABLE
Factor 5	Banking and Managing accounts	3.1.7	Banking and bank Accounts
		3.5.1	I do not have a credit card
		3.5.2	I pay when I receive a warning
		3.5.3	I pay sometimes but before I receive a warning
		3.5.4	I pay the minimum regularly
		3.5.5	I pay between the minimum and full amount regularly
		3.11.6.	I am able to read about shares
		3.12.10	Contribute to investment fund

In **Figure 6.25** it is shown that 77.55% feel they are 'fairly knowledgeable' about banking and bank accounts (3.1.7 Banking and bank accounts). Adding to the percentage of those who think they are 'quite knowledgeable', it can be concluded that 87.99% of respondents which is a large group, have reasonable knowledge about banking and bank accounts. This is contrary to how they have performed in the test on section 4. It indicated that some groups like students could not get correct answers on savings and investment accounts. The employees who were a better group on performance test were not able to get the correct answer for an account with most interest.

Figure 6-25: Level of Knowledge on banking and bank accounts



3.1.7 Level of Knowledge on Banking and Bank Accounts

Credit accounts fall under loan account. **Figure 6.26** reveals that most of the consumers 88.47% do not have a credit account while only 11.53% (46 respondents among the 400) have credits accounts. Among the total respondents who have credit accounts 3.008% (12 respondents out of 400) 'pay between the minimum and full amount regularly', thereby making 26, 1%. Those who 'pay the minimum regularly' which is a good response too, are at 6.516% making 56.51% of people with credit accounts. Adding the number of those who 'pay minimum regularly' and those who 'pay between minimum and full amount 'bringing 82.61% (among 46 respondents), it can be concluded that most of people who have credit accounts manage it well. Only 17.39% of those who have credit account pay when they receive a warning opening a chance for increase in loan interest.

Figure 6-26: Payment of monthly credits card bills

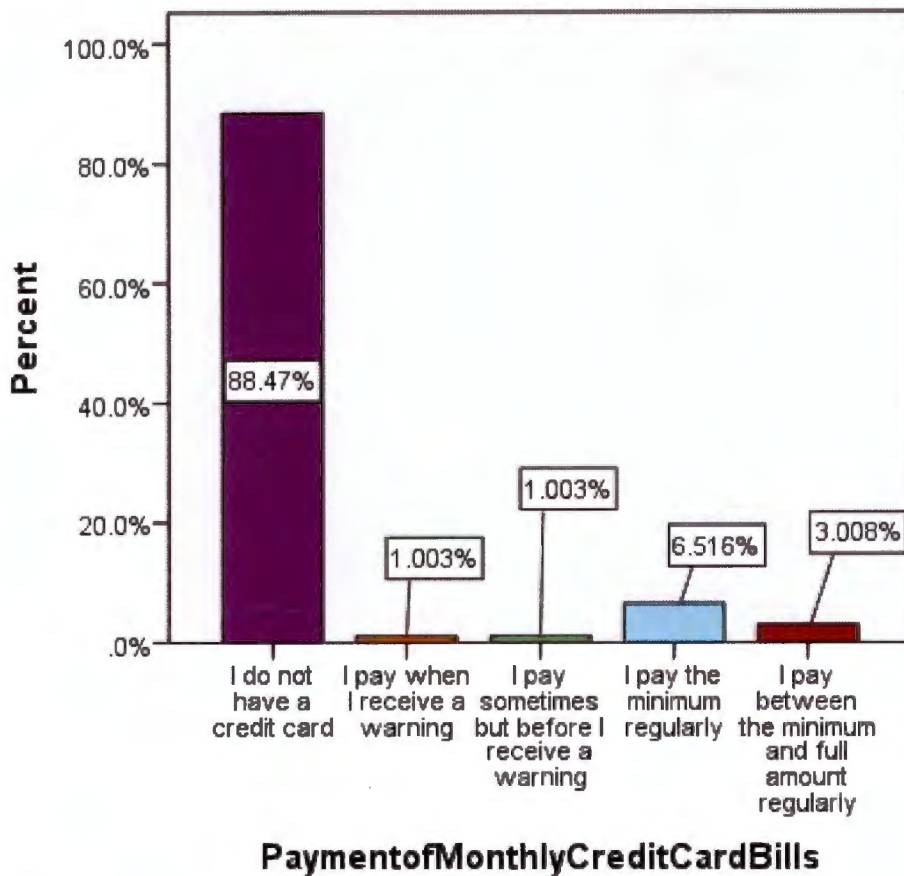
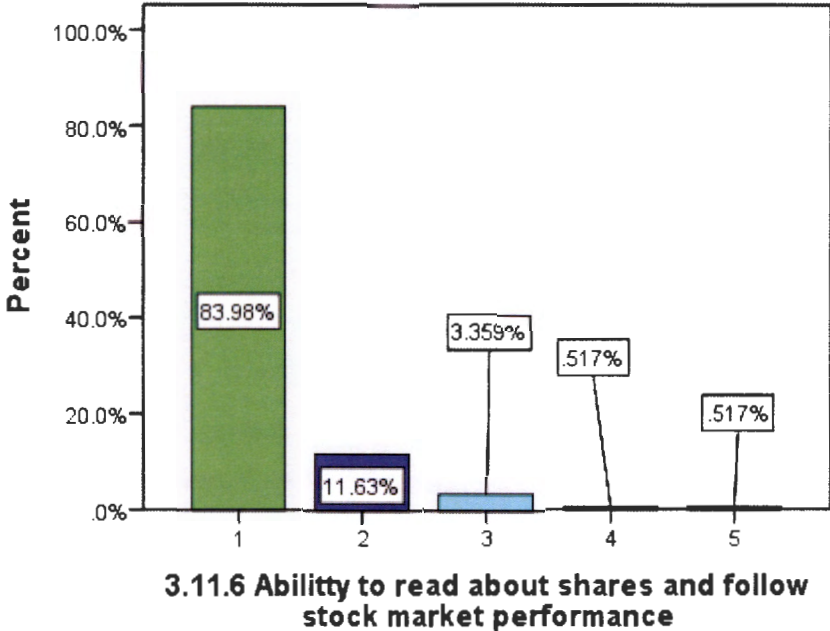


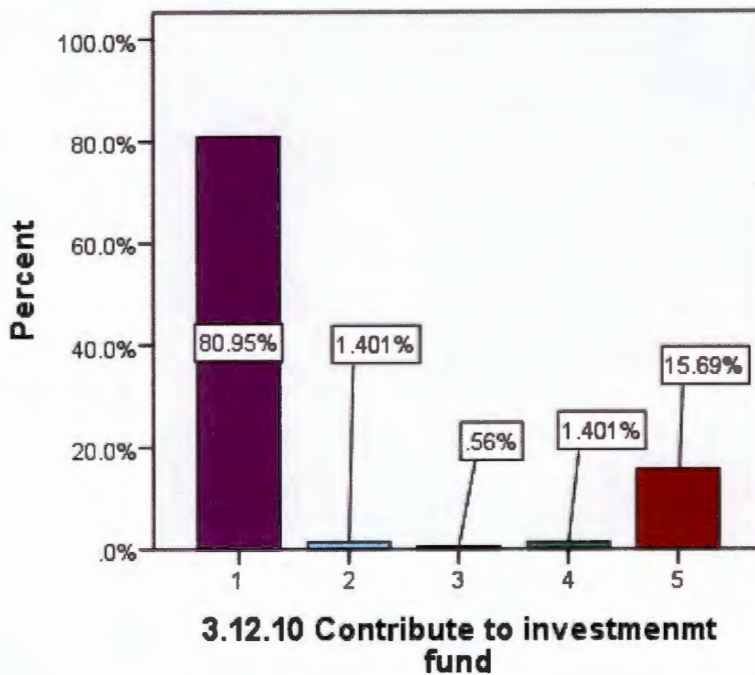
Figure 6.27 reflects that 83.98% it is not so true of them that they have the ability to read about shares and follow market performance. Only a tiny number (0.5%) are at an extreme end to have confessed it is very true of them that they are able to read about shares and market performance. The lack of confidence on knowledge of shares contradicts the results of the qualitative analysis that: **P12:** “confidence to invest in shares and stock has grown” and that: **P14** “Trustee are taught money market and market performance”. It also continues to reflect contradiction on participation in shares in performance test – as they understand PIO and have stock market account almost half of them (45%) have a money market account. According to Holzmann (2010:4) one of the actions which promote financial literacy is to stay informed and so reading and following market performance is important more especially for those who have accounts.

Figure 6-27: Ability to read about shares and follow market performance



Factor 5 also includes servicing and maintaining an investment account (3.12.10) contributes to investment fund). 80.95 % of respondents feel it is not so true of them to contribute to investment fund. Having answered like that in large numbers it reflects their financial behaviour to contradict what they have been taught. In qualitative analysis the following was narrated as offered to consumers: **P12:** “Basic accounting and budgeting to keep track of investments”. **P9:** “people are now living within means and have begun prioritizing investment”, Lack of contribution to investment is an barrier towards wealth creation making investments to be one of the priority areas for Botswana identified by the study.

Figure 6-28: Contributing to investment fund



6.5.6 Factor 6 Tracking and reducing spending

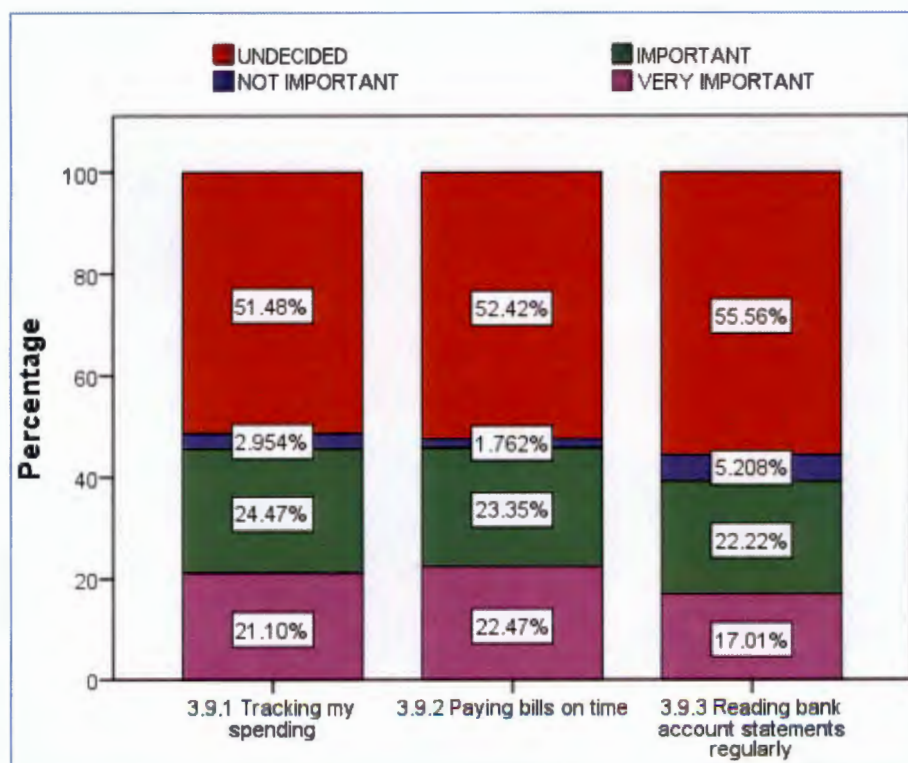
The factor on tracking and reducing spending has extracted three variables from 3.9 measuring the level of importance the respondent has attached to the actions answering the question: How important is my financial behaviour? The item is on a likert scale 1-5 *undecided, not important, important, very important, and highly important*. These are: 3.9.1.Tracking my spending 3.9.2 paying bills on time and 3.9.3 reading bank account statements regularly. These together are about either tracking spending (3.9.1. and 3.9.3) or reducing spending (3.9.2) – paying bills on time avoids interest charges hence a way of reducing spending.

Table 6-12: Tracking and reducing spending

FACTOR	NAME	VARIABLE NUMBER	VARIABLE
Factor 6	Tracking and reducing spending	3.9.1.	Tracking my spending
		3.9.2	Paying bills on time
		3.9.3	Reading bank account statements regularly

One of the financial capabilities is being able to keep track of money and this factor accommodates such claim. In (3.9.1 tracking my spending) it indicates that 51.48% are undecided on the importance of tracking their spending. Holzmann (2010:4) says one of the actions to vital for financial capability is to keep track of spending, investments and saving – movement of money. Reading bank account statements regularly is also a solution to managing personal finances. The results of this variable (3.9.3 reading bank account statements regularly) in **Figure 6.29** show that 55.56 % of respondents have not decided on whether this is important or not. Such indecision is reluctance in making use of the statements to track spending or savings. Atkinson et al (2006:11) highlight that managing money is important – it is inclusive of managing bills and paying at the right time too (3.9.2 paying bills on time). The respondents have a similar pattern in (3.9.1) and (3.9.3) with 52.42% not decided if paying bills on time is important or not. Only 17.01% feel the exercise to be very important.

Figure 6-29: Tracking and reducing spending



6.5.7 Factor 7 Saving through basic accounting

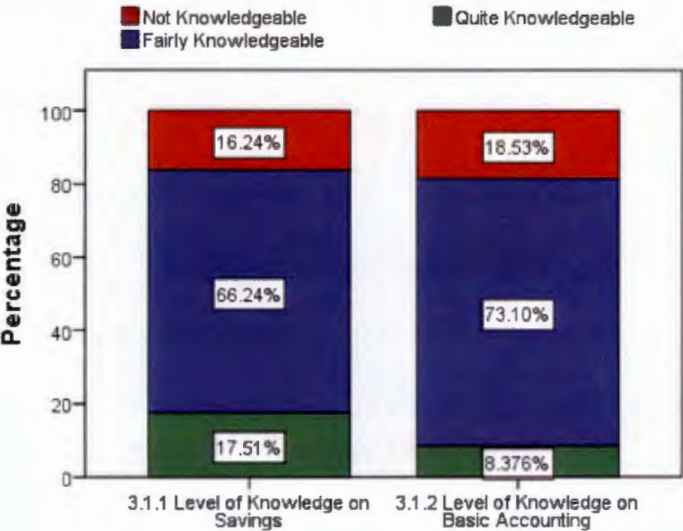
Factor seven is about savings and basic accounting with all the variables extracted are from 3.1 measuring the level of knowledge on likert scale 1-3 *not knowledgeable fairly knowledgeable and quite knowledgeable*. They are named so as they associate as thus – basic accounting can assist on knowledge about savings. The other variables have been absorbed in factor 4 (3.1.8) taxation with extra income and expenses and factor 5 (3.17) under banking and managing bank accounts. The rest of the variables in in 3.1 which are 3.1.3, budgeting 3.1.4 portfolio building, 3.1.5 investment, and 3.1.6 income and debt management have been reduced and therefor excluded from analysis.

Table 6-13: Saving through basic accounting

FACTOR	NAME	VARIABLE NUMBER	VARIABLE
Factor 7	Saving through basic accounting	3.1.1	Savings
		3.1.2	Basic Accounting

Factor 7 is about saving through basic accounting inclusive of 3.1.1savings 3.1.2 basic accounting. As observed from **Figure 30**, most of the respondents feel that they are ‘fairly knowledgeable’ on savings 66.24% and basic accounting 73.10% which means that the respondents are fairly confident about their knowledge about the two concepts. For 3.1.1 savings has 17.51% of respondents who feel quite knowledgeable while 3.1.2 basic accounting has 8.376%. In overall respondents are confident about knowledge on savings and basic accounting. The qualitative results indicated that the respondents were taught basic accounting for saving and investments: **P4**: “Basic accounting for income and debt management, calculating their earnings and controlling their debts” **P12**: “Basic accounting and budgeting to keep track of savings and investments”.

Figure 6-30: Saving through basic accounting



6.5.8 Factor 8 Consultation and utilising information

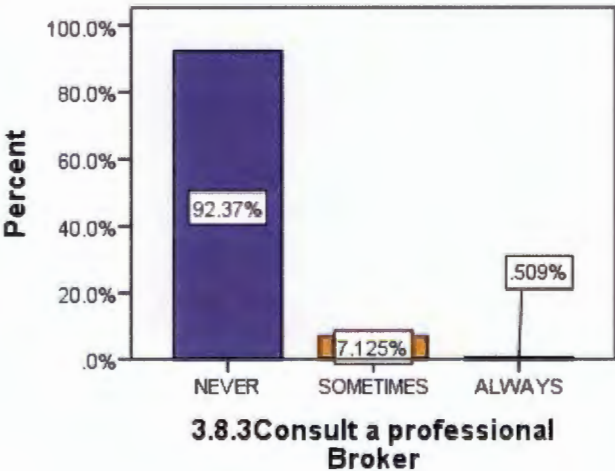
Factor 8 extracted variables from 3.8, 3.11 and 3.12 but was difficult to name because one variable (3.12.8) does not have direct meaning with the others. It has been named consultation and managing information anyway as all other actions relate as thus. Variable 3.8.4, is about consulting a professional broker on investments, measuring frequency of consultation on a likert scale of 1-3 *never sometimes and always* while those on 3.11 and 3.12.7 are about consulting books and ability to read and understand before taking action hence utilising consultation and information. Variables 3.11 measures on a likert scale 1-5 *from not so true to very true of me* and they are 3.11.4. I am able read over and understand leases before I sign and 3.11.5 I am able to read over and understand loan agreements before I sign. Variable 3.12.7 I read to increase my financial knowledge compliments those in 3.11 acknowledging the value of information from reading. The variable 3.12.8 I use overdraft for my payments every month may associate showing ability to read statements and utilise and overdraft facility. At the same time it may mean lack of financial income management leading to incurring interest payments from a form of loan which is an overdraft.

Table 6-14: Consultation and utilising information

FACTOR	NAME	VARIABLE NUMBER	VARIABLE
Factor 8	Consultation and managing information	3.8.4.	Consult Professional Broker on investments
		3.11.3	I am able read over and understand house leases before I sign
		3.11.5	I am able to read over and understand loan agreements before I sign
		3.12.7.	I read to increase my financial knowledge
		3.12.8	I use overdraft for my payments every month

Consultation with a professional broker for investments and insurances is important so that consumers make informed choices. In 3.8.3 consult Professional Broker on investments, it shows that 92.37% of respondents do not consult professional broker for advice. T is quite a high percentage and in the cluster analysis it was revealed that the respondents prefer to consult families and friends for information. This may be a barrier to making informed decisions on investment.

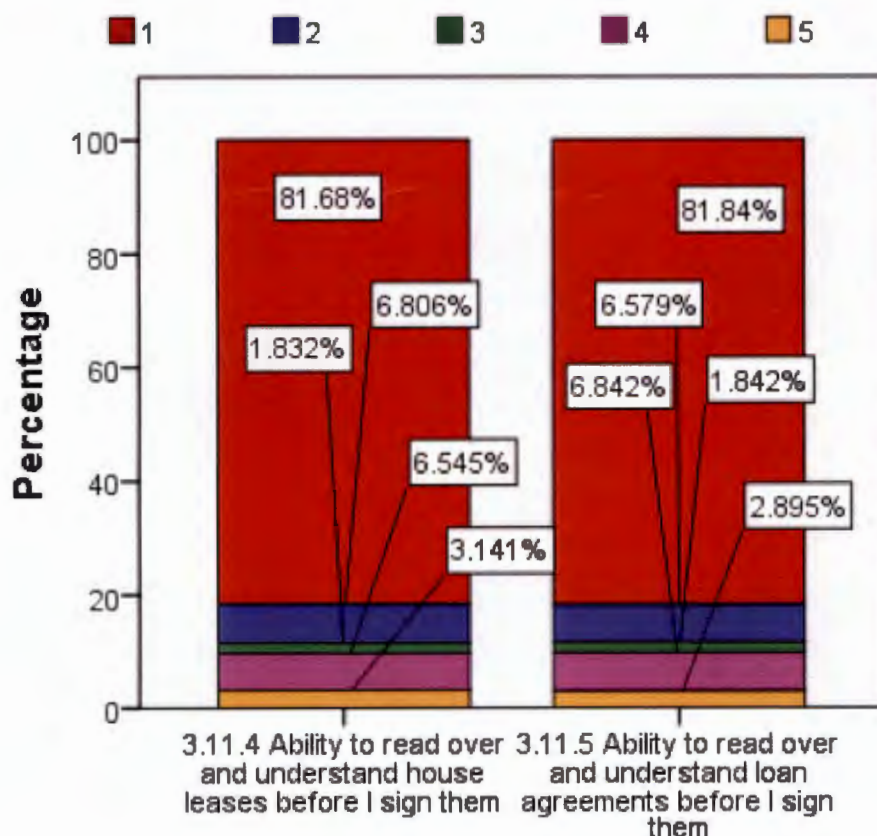
Figure 6-31: Consultation with a professional broker



It is not often that people read leases and loan agreements. Many authors Sparkassenstiftung für Internationale Kooperation (2007:27), OECD (2005) and Rutledge *et al* (2010:3) write financial literacy helps consumers understand

products and services because these are services: 3.11.4 I am able read over and understand house leases before I sign 3.11.5 I am able to read over and understand loan agreements before I sign. A large percentage of respondents in **Figure 6.32** for 3.11.5(81.68%) and 3.11.4 (81/84%) feel that it is not so true about them that they read and understand before signing. This means a lot of consumers do not utilise services well.

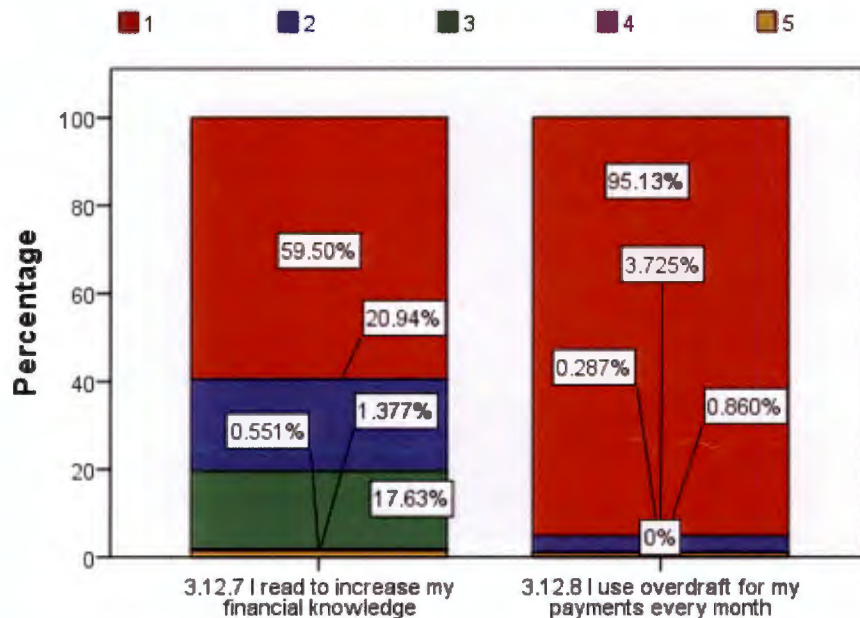
Figure 6-32: Ability to read before signing



Working towards increasing knowledge personal financial management is also encouraged and therefore the variable 3.12.7 I read to increase my financial knowledge is important. **Figure 6.33** shows that 59.50 % it is not so true that they read to increase financial knowledge. In 3.12.8 I use overdraft for my payments every month, using this service every month indicates financial indebtedness and lack stability. Some people utilise this more often but it accrues interest for the bank. It is a service which consumers should not use as often as on monthly basis and so like all other form of loans it should be used when necessary. 95.13 % deny its use for their payments every month, and so we may conclude that the

consumers use their own income to meet their current liabilities as in when they are due.

Figure 6-33: Make use of financial knowledge



6.5.9 Factor 9 Utilising Services for stability and sustainability

Similar to factor 8 it was not easy to name factor 9 with variables 3.7.3, 3.9.5 and 3.11.1 seemingly not related to 3.4. Factor nine comprises of all variables from 3.4 one from 3.7, 3.9 and 3.11. Those from 3.4 are responses for the question: What are my reasons for using a debit card? They were placed on a measurement likert scale 1-5. The variables are 3.4.1 no reason because I don't have debit card 3.4.2 drawing cash from an ATM or swiping every time I feel like buying something 3.4.3 drawing cash from an ATM or swiping every time something crops up 3.4.4 drawing cash from an ATM and for buying things that are necessary but some not and 3.4.5 drawing or swiping to buy things which are only on my budget. These are all about utilising a debit facility. The variable 3.7.3 If I receive poor service I complain to management subjected to measuring frequency on consultation with likert scale 1-3 *never, sometimes and always* is also about utilising services and complaining where expected value is not satisfied. Preparing a will or testament on 3.9.5 is about preparing for future and making records. The items on 3.9 are measured on likert scale 1-5 and had required the responded to show the level of importance they attach to the

financial behaviours: 1. *undecided*, 2. *not important*, 3. *very important*, and 4. *highly important*. The last variable for factor 9 is 3.11.11 am able to calculate interest on my savings extracted from items with the question what is the truth about my financial abilities, with responses placed on a likert scale measurement of 1-5 *not so true to very true of me*. Relating it to the other variables for factor 9, it is also about utilising saving services which may be for short term or long term- saving for future use.

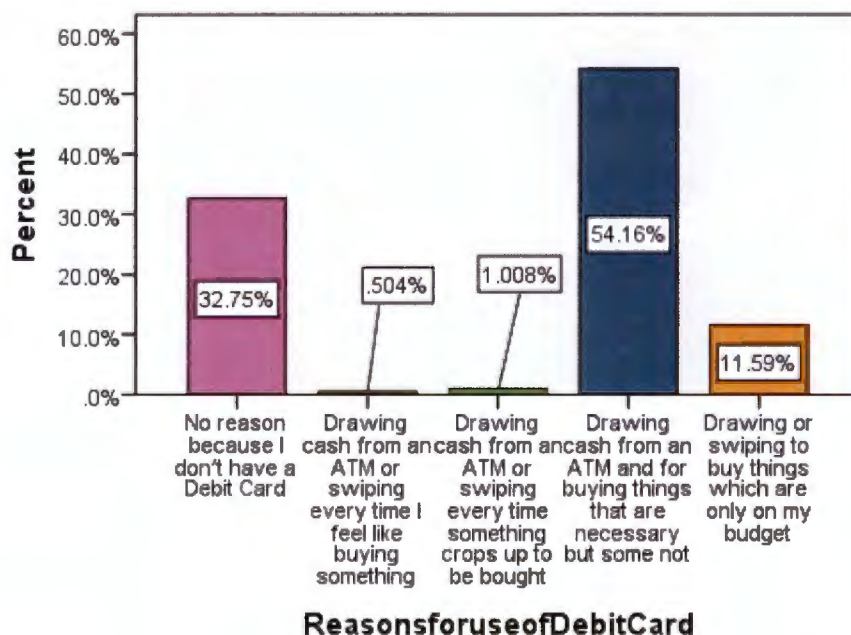
Table 6-15: Services for now and future

FACTOR	NAME	VARIABLE NUMBER	VARIABLE
Factor 9	Utilising Services for stability and sustainability	3.4.1	No reason because I don't have a Debit Card
		3.4.2	Drawing cash from an ATM or swiping every time I feel like buying something
		3.4.3	Drawing cash from an ATM or swiping every time something crops up
		3.4.4	Drawing cash from an ATM and for buying things that are necessary but some not
		3.4.5	Drawing or swiping to buy things which are only on my budget
		3.7.3.	If I receive poor service I complain to management
		3.9.5	Preparing a will or testament
		3.11.1	I am able to calculate interest on my savings

According to Carpena et al. (2011:2) consumers must understand how to interact with financial service providers like how to open a bank account or how to use an ATM card. This relates to factor 9 on 3.4. Most people in (3.4.4), 54.16% use a debit card to draw cash from an ATM and for buying things that are necessary but some not. There is a level of discipline in the behaviour but an amount of danger is detected that sometimes this number of people does not follow a budget, but misuse the ATM or debit facilities only to incur expenses. There is only 11.59% for (3.4.5) as they confess to draw or swipe to buy things which are

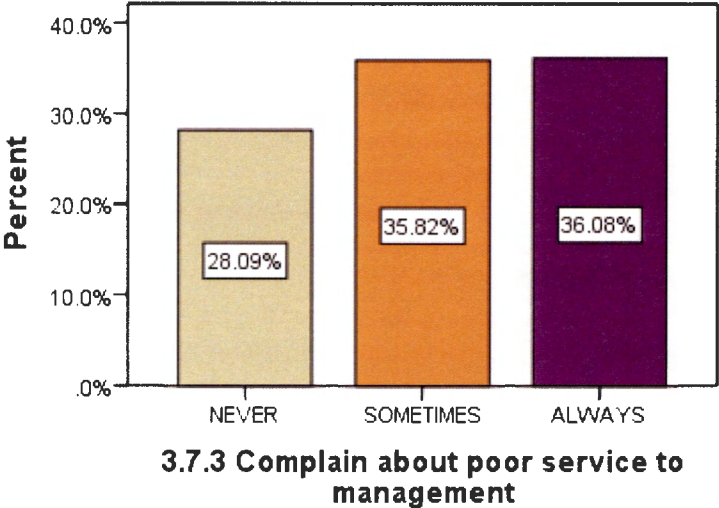
only on their budget. There is indication of discipline managing the facility very well. For 3.4.1 there are 32.75% of those who do not have a reason to use a debit card because they do not have it. Such is a big number because it raises eyebrows for financial inclusion as people start with current account which have debit card before moving into savings and investment accounts. The other variables have quite low percentages: 3.4.2 drawing cash from an ATM or swiping every time I feel like buying something (0.504%) and 3.4.3 drawing cash from an ATM or swiping every time something crops up (1.008%). The following display their reasons for use of a debit card.

Figure 6-34: Reasons for use of a debit card



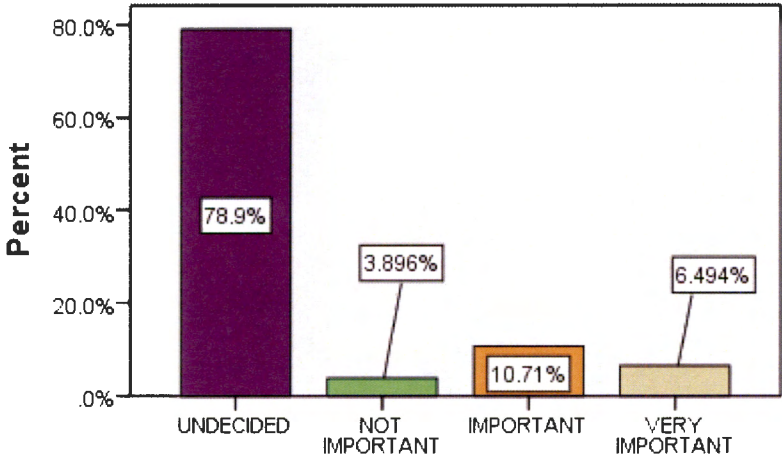
In 3.7.3 if I receive poor service I complain to management 36.08% of the respondents confess that they always complain to manager for poor service. Those who never complain are 28.09% as indicated by figure 6.35, but adding those who always do and those who sometimes complain 64.17 %, it shows consumers know their rights. Financial literacy encourages consumers to understand their rights so that they get the best service (Rutledge and et al 2010:3). Their behaviour towards poor service is depicted in figure 6.45.

Figure 6-35: Complaining about poor service to manager



In **figure 6.36** the respondents had to indicate how they keep records and prepare for transference of wealth. Records are important in personal financial literacy and as such for factor 9 one of the actions to perform is to keep a will or testament of who is in succession for the wealth created. 78.9% of the respondents have not decided while 3.896% think it is not important to have a will/testament. This means a lot of respondents do not value a will but it assists in knowing what is in someone's wealth and how it shall be distributed to beneficiaries. It is about making preparation now and sustaining wealth for those who you may leave behind. Only 6.494% realise that value by responding that preparing a will is important.

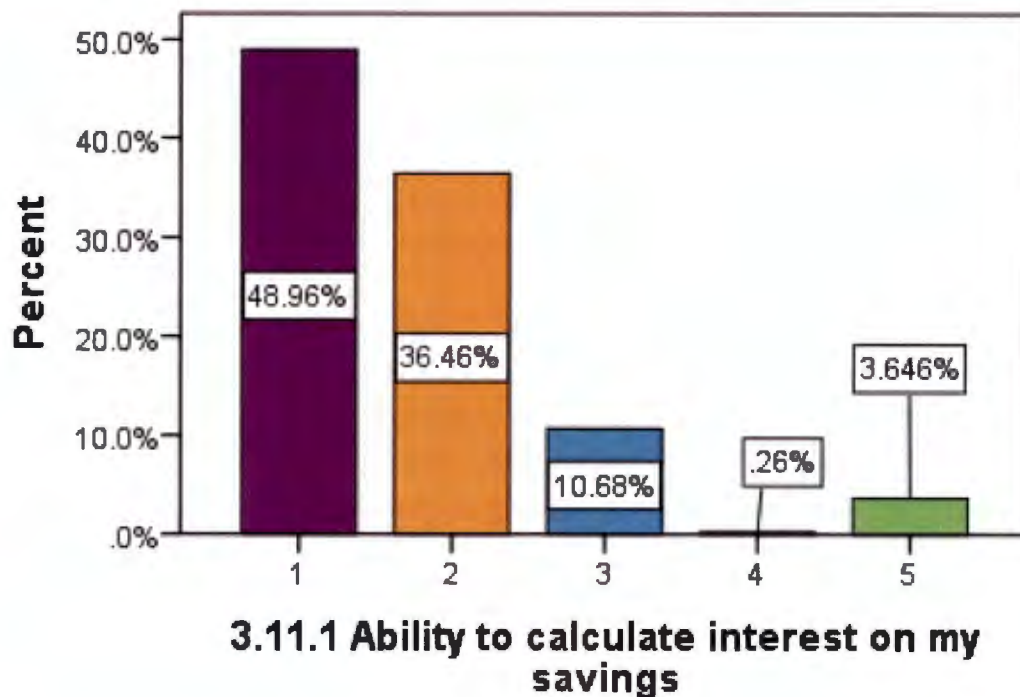
Figure 6-36: Preparing a will/testament



3.9.5 Preparing a will/testament

In **Figure 6.37** for 3.11.1 I am able to calculate interest on my savings depicts that 48.96% say it is not so true calculate interest in their savings. Those who follow in the scale are 36.46% tipping to the extreme of not so true. This indicates a large number of respondents 85.42 are not confident to calculate interest. The respondents should be utilising services which give savings accounts to get information on how they accrue interest because in their background information in section 1 of the results, it shows that above half of the respondents has savings account – (68.8%). This insufficiency should be provided with a solution in the framework as part of the content for future financial literacy initiatives – calculating interest should be part of the priority areas. According to Kempson, Petrotti and Scott (2013: xii) financial literacy includes concepts such as compound interest and that simple interest are important in financial literacy (Mahdzan and Tabiani 2013: 53) Knowing how to do it consumers will know how much value keeping away some money for saving or investment. They will realise that saving and investing helps to bring financial stability (now) and sustainability (future).

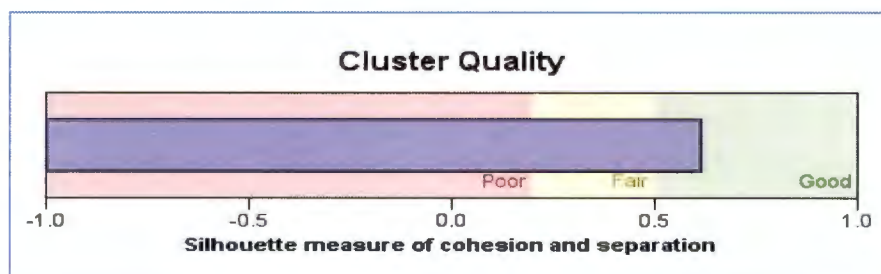
Figure 6-37: Ability to calculate interest on savings



6.6 Cluster segmentation and Analysis

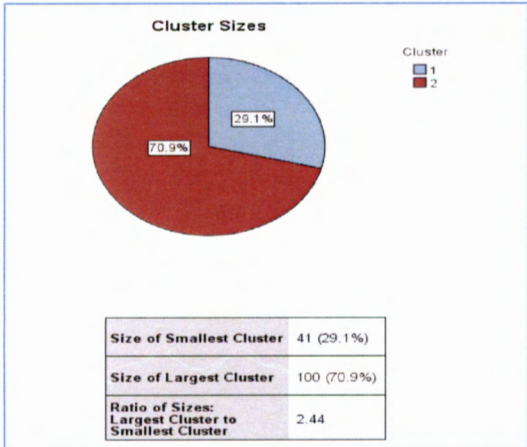
According to Yong and Pearce (2013:84) the broad purpose of factor analysis is to summarize data so that relationships and patterns can be easily interpreted and understood. As is discussed above it is normally used to regroup variables into a limited set of clusters based on shared variance. Hence, it helps to isolate constructs and concepts. In cluster analysis the segmentation of groups both cohesion (similarity) and separation (the differences for not belonging) are important.

Figure 6-38: Measures of cohesion and separation



The two-stage cluster solution is of good quality, hence it can be interpreted. The following **figure 6.39** indicates the size of the clusters.

Figure 6-39: Cluster sizes for segmentation of section 3 Self-assessment



There are two clusters for **section 3: Content (self-assessment)**, Cluster 2 has the most respondents (70.9%) and Cluster 1 represents 29.1% of the observations. For further explanation of the two clusters the target groups belong to the following cluster: Cluster 1 Business and the Public, GTC students, Bosetu, 0.7% of Bobonong Secondary school, GTC employees, BBC Employees. Cluster 2: Tlokweng Junior School, Bobonong Junior School, Lotsane Secondary School, GTC Students.

Figure 6-40: The respondents in Clusters

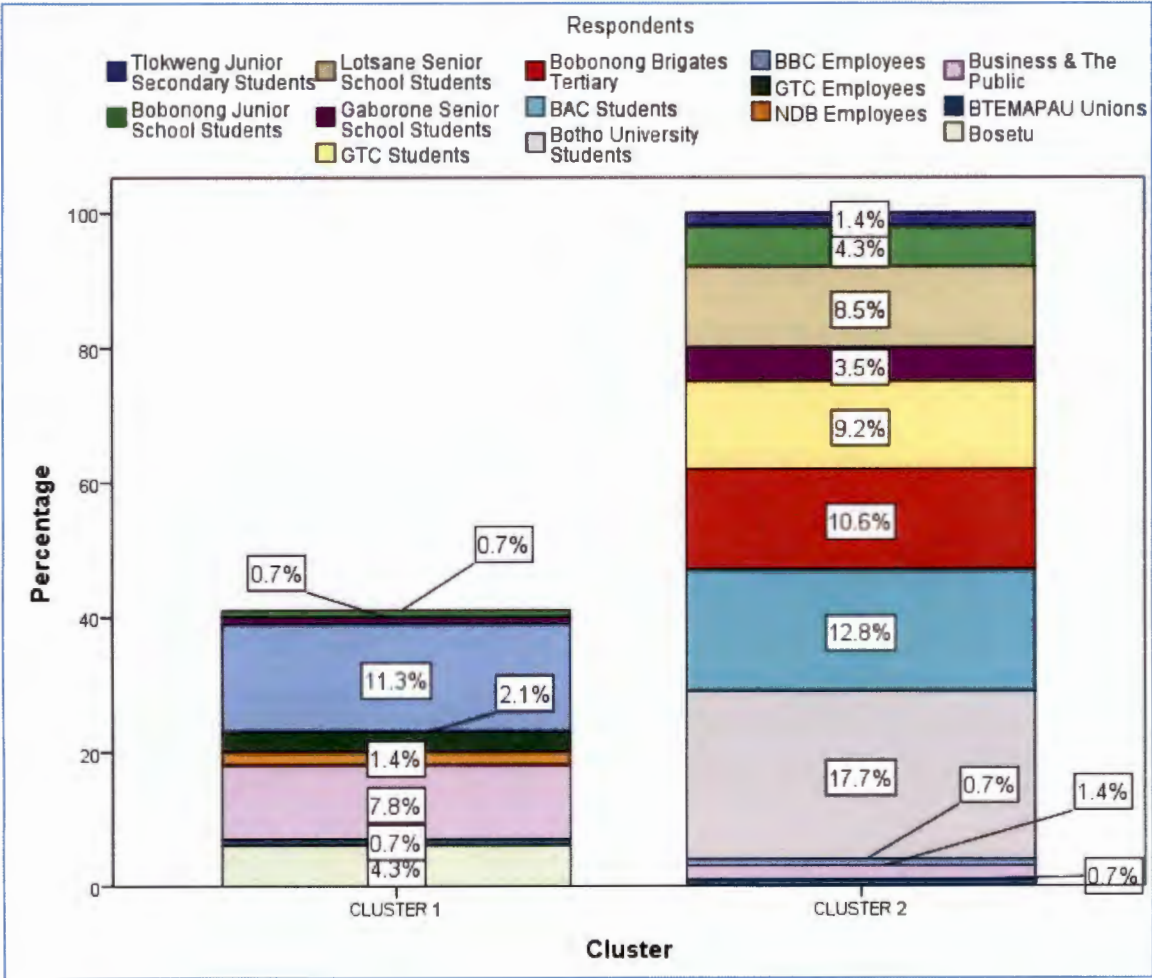
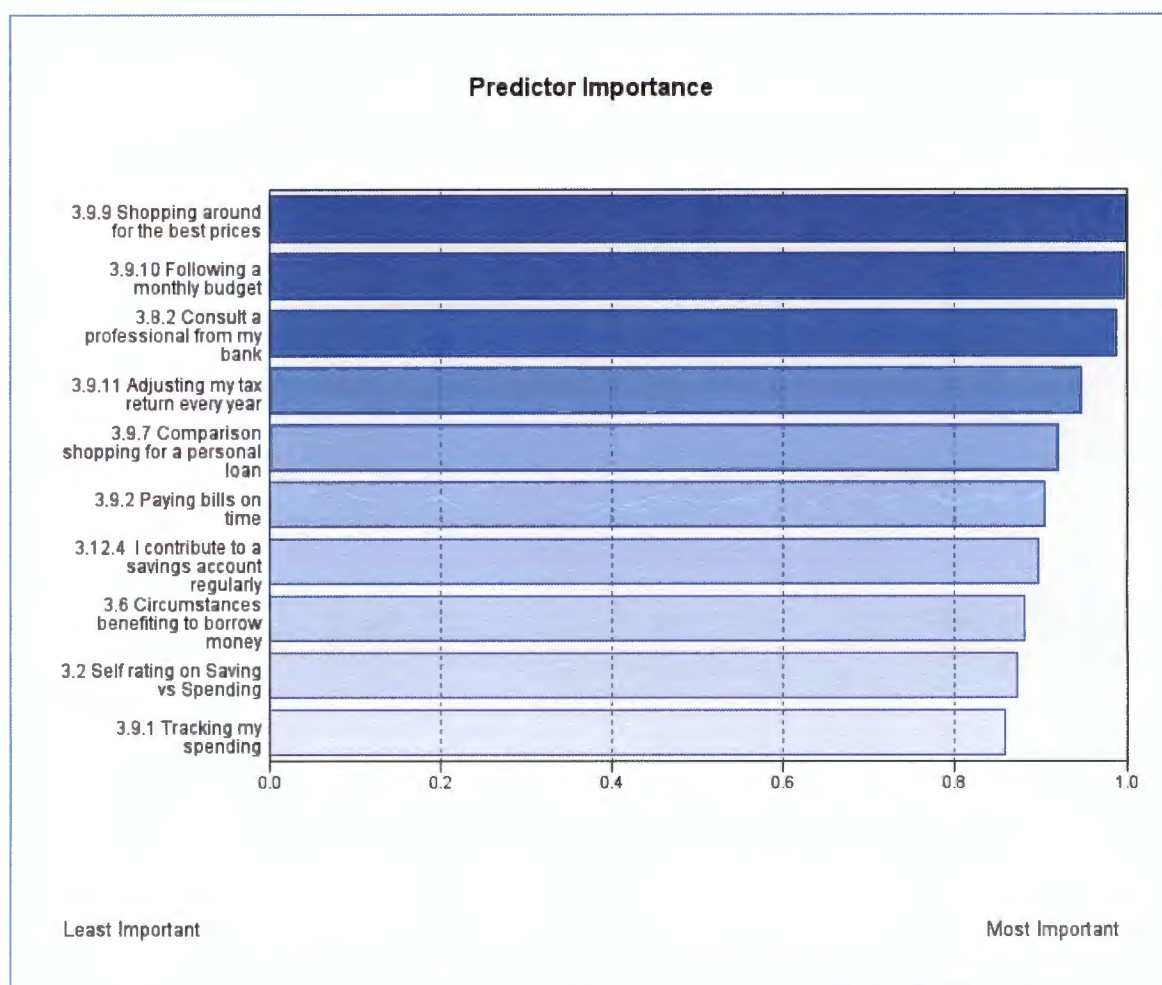


Figure 6-41: Predictor importance of behaviour



The two clusters are mainly described by the ten items in **Figure 41**, hence the clusters are interpreted based on these important items (see Figure 42 and Figure 43).

Figure 6-42: Cluster 1 comparison – behaviour importance



Figure 6.43 shows that Cluster 1 of Section 3: content (self-assessment) comprise of individuals who perceive items in 3.9 Behavioural Importance as very important, except for following a budget which they perceive as important.

These respondents contribute regularly to a savings account, they sometimes consult a professional for their bank and they are neither careful nor spending oriented. These individuals comprise only 29.1% of all respondents under study. Compared to the number of people in Figure 21 (70.9%) there are fewer people who consult professionals so that they obtain relevant information. In chapter one under the section for causes and effects of financial illiteracy individuals are disproportionately more likely to rely on family and friends for financial advice. The thematic analysis in Theme 1 (consumer Empowerment) in chapter four has also indicated behavioural change moving from spending culture to saving but the results show that the impact is low financial illiteracy Van Rooij, Lusardi and Alessie (2007: 8) show that low literacy

Figure 6-43: Cluster grouping for behaviour importance

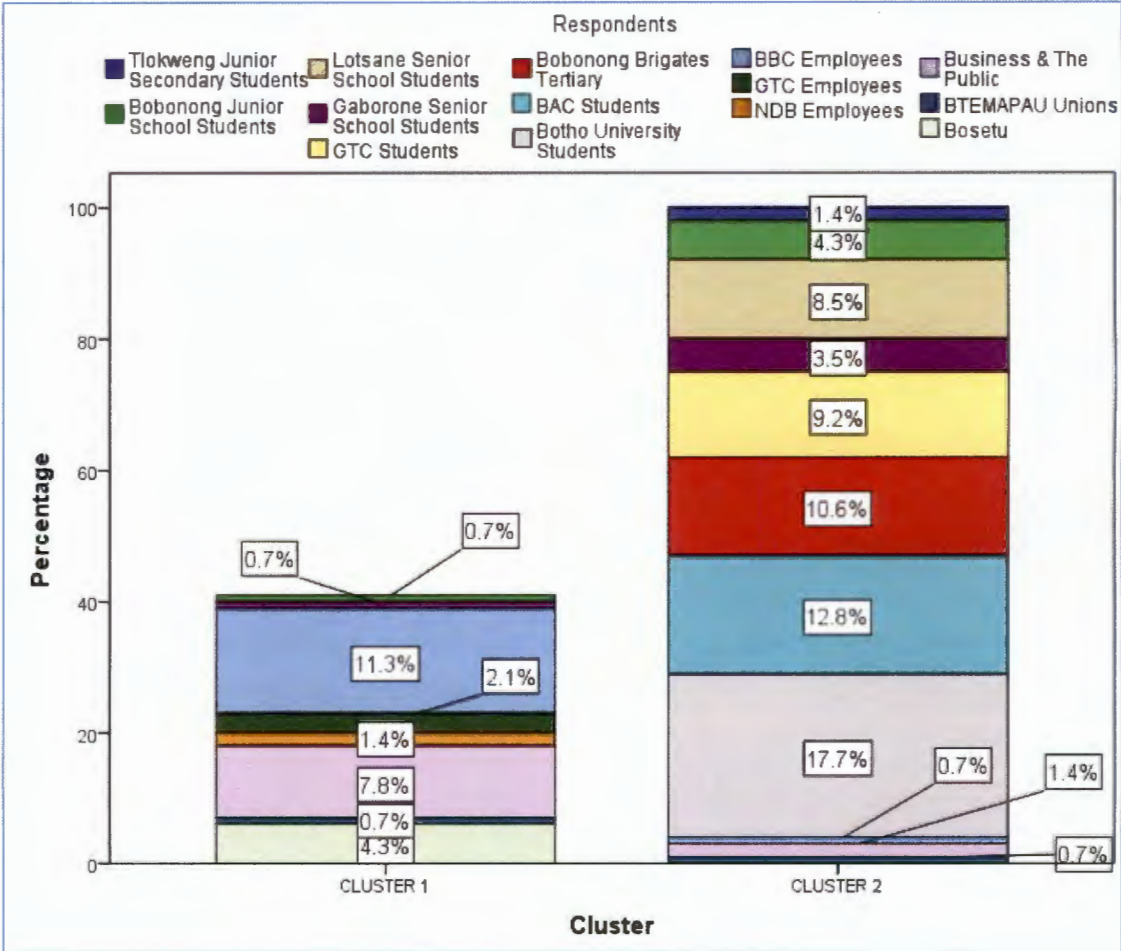


Figure 6-44: Cluster 2 comparison – behaviour importance

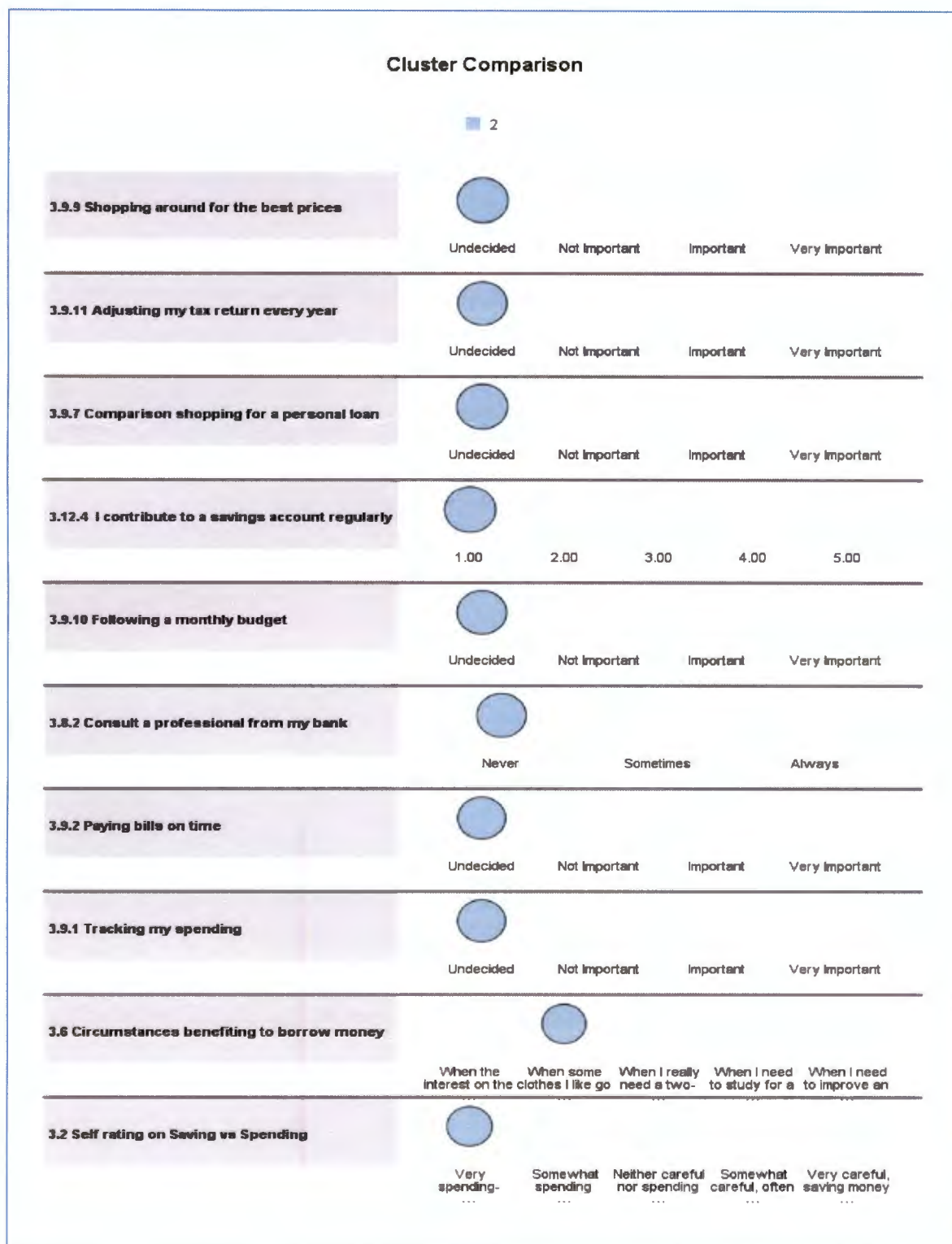


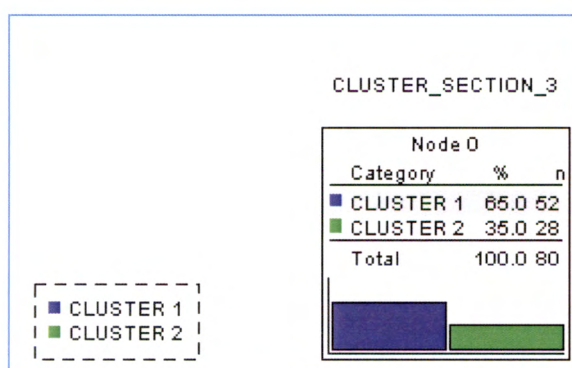
Figure 6.44 shows that Cluster 2 of Section 3: Content (self-assessment) comprise individuals who are undecided about items in 3.9 Behavioural

Importance. These respondents do not contribute regularly to a savings account at all, they never consult a professional for their bank and they are very spending-oriented and hardly ever save money. These individuals comprise 70.9% of all respondents under study. The interpretation is that a large number of a group of people are spending orientated and since they do not appreciate the importance of consulting professional, they may not even know ways of preserving their income or wealth. They are undecided about budgeting which is viewed as the most central skill towards income and debt management. The thematic analysis has showed that the groups have been taught budgeting skills but the indication is that they do not utilise the skill. They are undecided about, tracking spending, following a monthly budget, consulting professional, shopping for prices and adjusting tax returns. These behaviours are critical in preserving income and minimising debt.

6.6.1 Cross - correlation and Predictors Section 3

When attempting to use the independent variables of personal information and type of investor as predictors of cluster membership for section 3: **Content (Self-Assessment)**, so that it may be clear if any of the variables influence the behaviours, there was no predictability. This is illustrated in **figure 45**:

Figure 6-45: Decision Tree

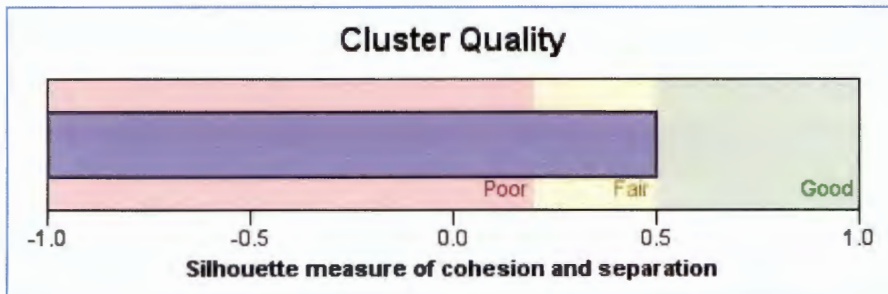


None of the independent variables (Personal Information and Type of Investor) are appearing in the decision tree above. That is, one cannot tell whether a respondent is likely to fall into either cluster 1 or cluster 2 based on Personal Information and Type of Investor.

6.6.2 Segmentation for Section 4 Performance Test

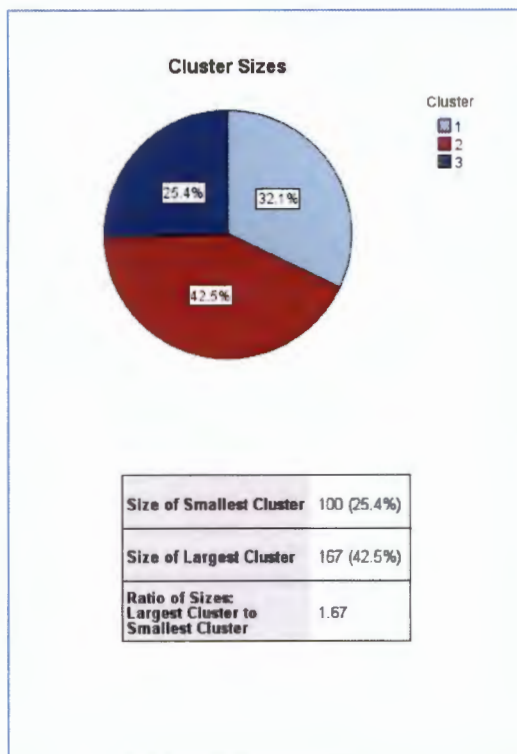
The performance test is meant to test if what they were confident of in section three is a true reflection. The following is a cluster quality measurement for segmentation of participants based on section 4: content financial literacy test (performance test)

Figure 6-46: Cluster quality for segmentation -section 4 Performance Test



The cluster quality is good, hence it is interpretable.

Figure 6-47: Group size for section 4 performance test



Most of the respondents belong to Cluster 2 (42.5%), followed by those who belong to Cluster 1 (32.1%) and about a quarter of the respondents belong to

cluster 3 (25.4%). To explain the group size further the groups have been linked to the target group (respondents for this study) **Figure 6.48** is used.

Target Groups belonging to Clusters:

Cluster 1 Lotsane Senior School, Tlokweng Junior School , Bobonong Junior, Gaborone Senior

Cluster 2 BTEMAPAU, BOSETU , Bobonong Brigades Tertiary, GTC Students, BAC students,

Cluster 3 BBC Employees GTC employees, GSS Employees, NDB Employees

Figure 6-48: Initial groupings belonging to new clusters

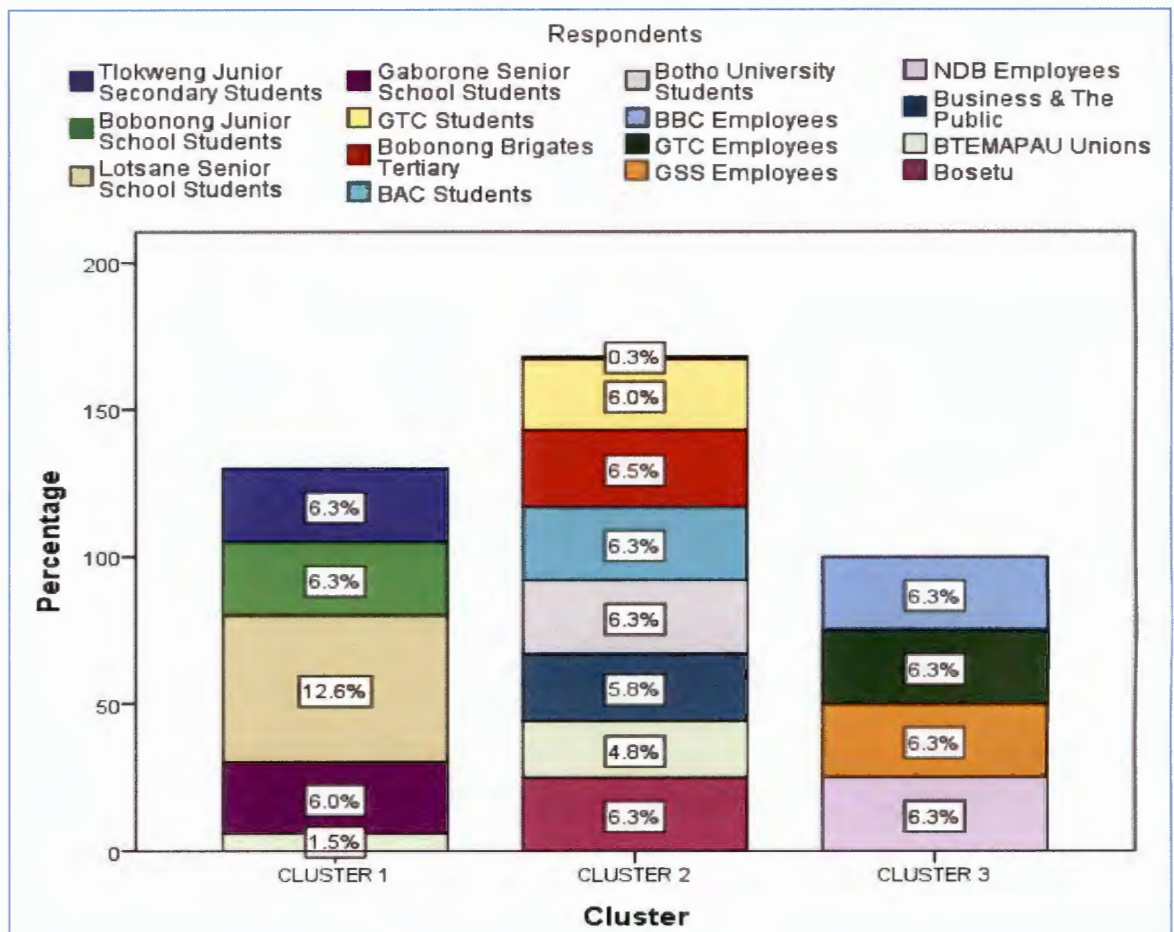
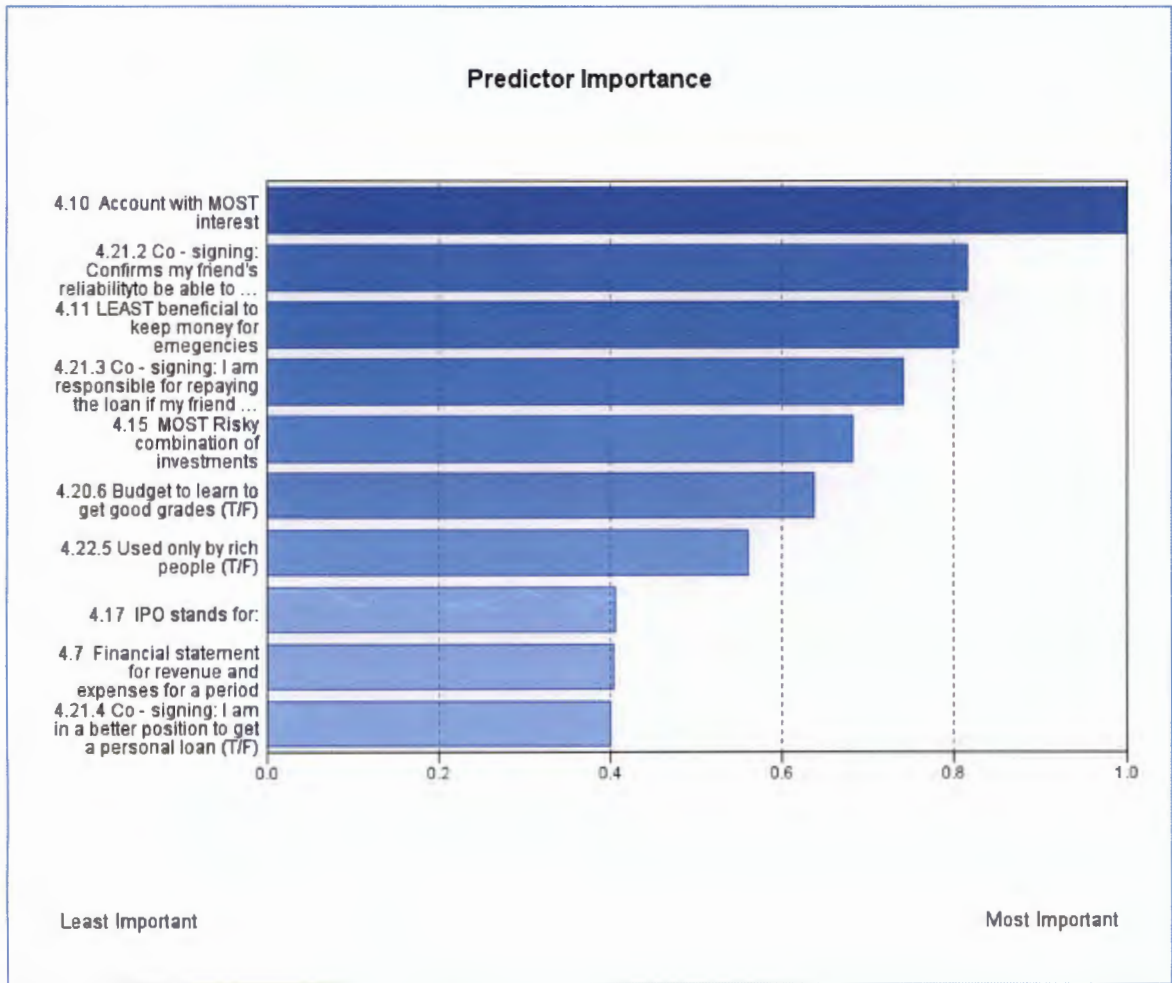
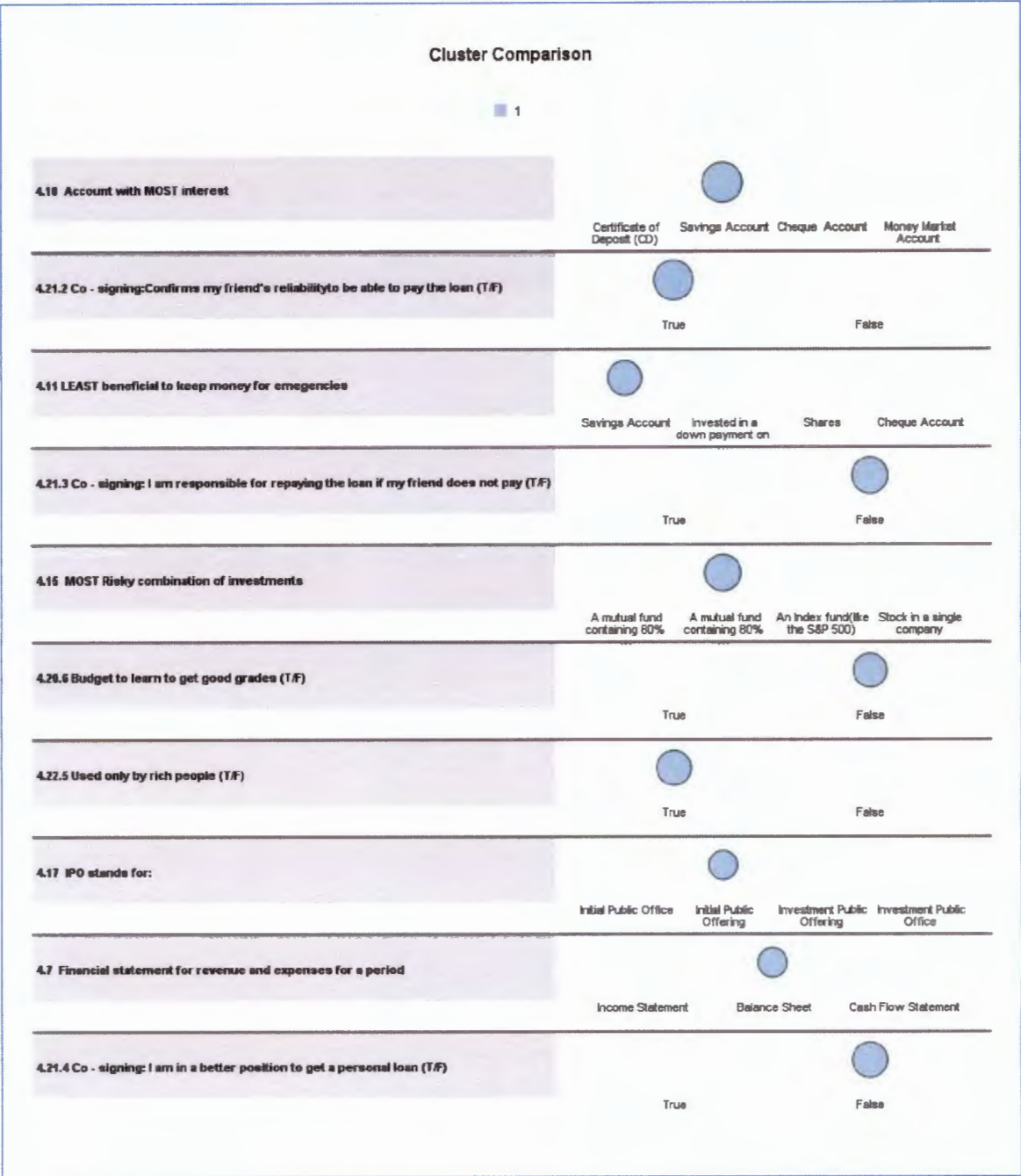


Figure 6-49: Predictor Importance



The two-stage clusters are mainly described by the ten items in Figure 49 hence the clusters are interpreted based on these important items (see Figure 48 and Figure 49).

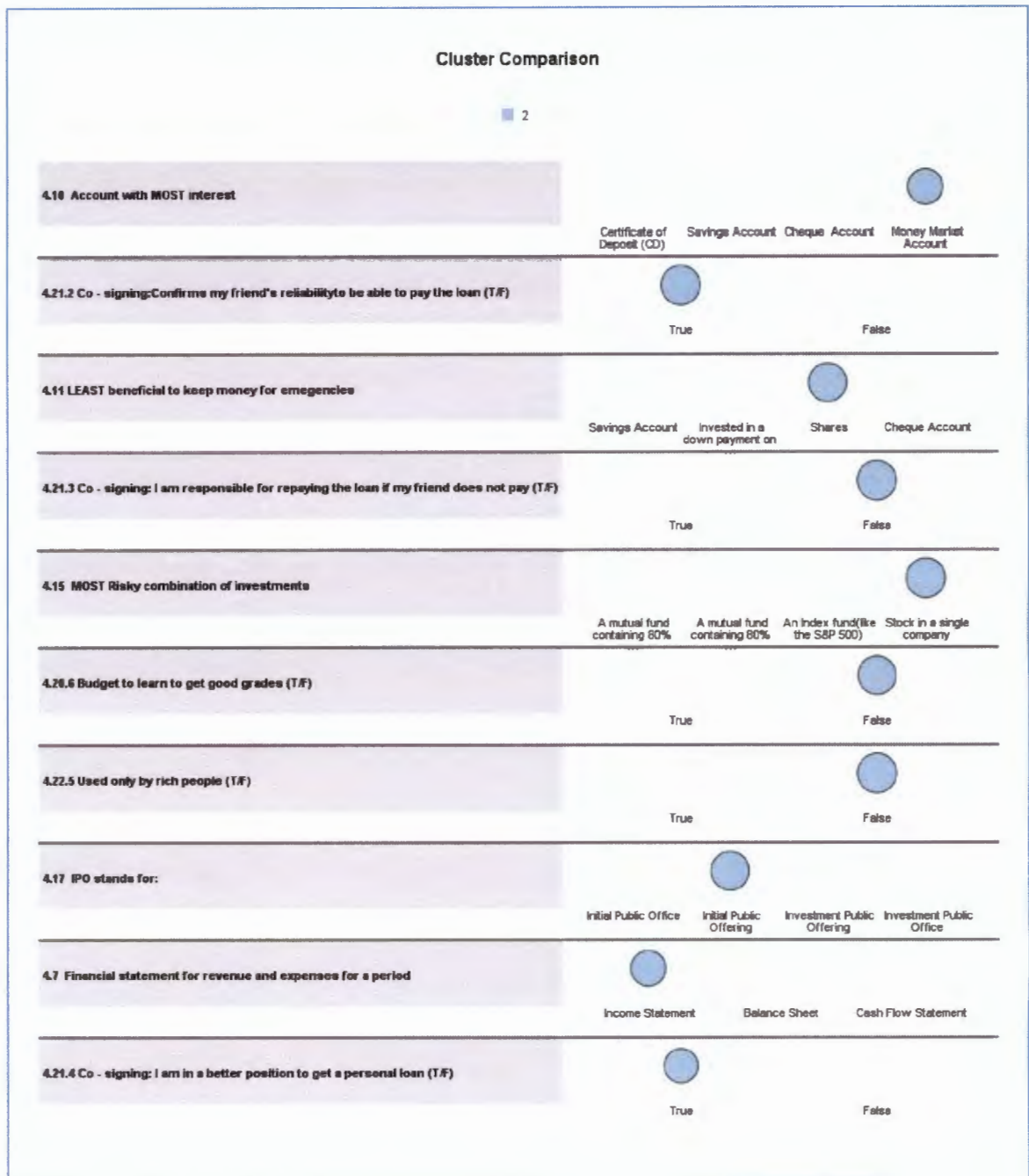
Figure 6-50: Section 4 performance test cluster 1 comparison



Cluster 1 of Section 4: content financial literacy test (performance test) comprises respondents who believe that the account with most interest is a savings account, they also believe that a savings account is least beneficial to keep money for emergencies and that the most risky combination of investments is a mutual fund containing 80% bonds and 20% stocks. These individuals understand an IPO to mean Initial Public Offering and they perceive the following as true: Co-signing a loan confirms their friend's reliability to be able to pay the loan. Respondents in Cluster 1 perceive the following as false: Co-signing a loan

means that they are responsible for repaying the loan if their friend does not pay, the use of a budget is to learn to get good grades and that Co-signing a loan means that they are in a better position to get a personal loan. These individuals comprise 32.1% of all respondents. The interpretation is that the respondent need information on what a budget is used as it is not used for good grades. The impact of financial literacy for this cluster is quite low on the understanding of budget. Their understating of the purpose of co-signing is precise and they understand the responsibility they place on themselves when they sign the loan. Most of the respondents in cluster 1 are students in secondary schools.

Figure 6-51: Section 4 performance test cluster 2 comparison

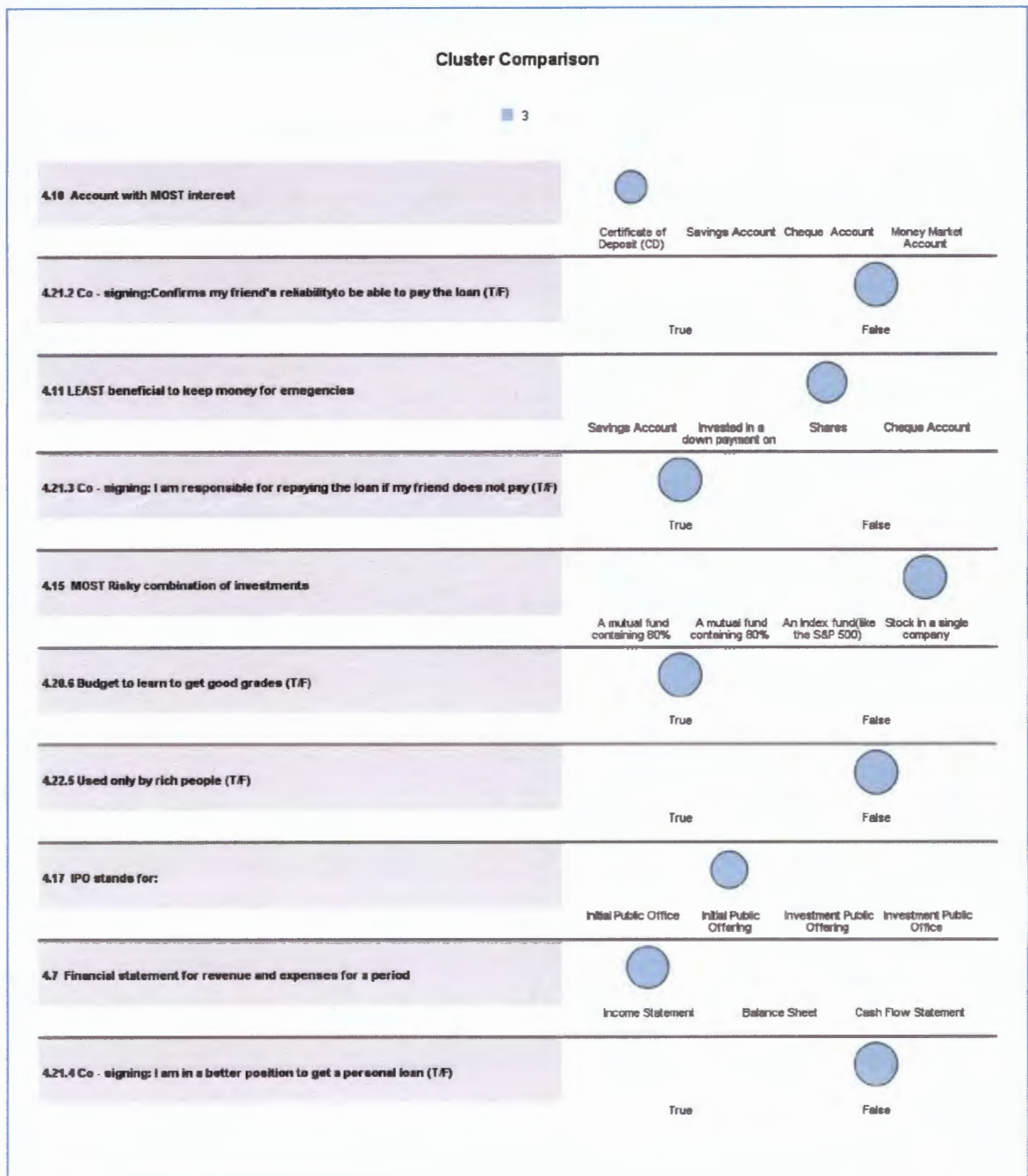


Cluster 2 of **section 4: Content Financial Literacy test (performance test)** comprise respondents who believe that the account with most interest is a money market account, they also believe that shares are least beneficial to keep money for emergencies and that the most risky combination of investments is holding shares in one company. This being true, it show that the cluster 2 groups have a significant understanding of shares and the risk of investment- It shows they understand the value of portfolio diversification which is one of the content taught

in financial education. Theme 1 list portfolio diversification as one of the content items learnt.

These individuals understand an IPO to mean Initial Public Offering and they perceive the following as true: Co-signing a loan confirms their friend's reliability to be able to pay the loan and Co-signing a loan means that they are in a better position to get a personal loan. This last part is not true and indicates the person in cluster 2 as getting a loan is not dependent on that. Respondents in Cluster 2 perceive the following as false: Co-signing a loan means that they are responsible for repaying the loan if their friend does not pay, the use of a budget is to learn to get good grades and that and that a credit card is used by rich people. These individuals comprise 42.5% of all respondents. The interpretation of the results is that a large number of people, almost half of the population, have a myth about credit card as people who are not rich may use it. This group must visit the content on the purpose of budgeting as indicated by theme 1. Consumer Empowerment.

Figure 6-52: Section 4 performance test cluster 3 comparison



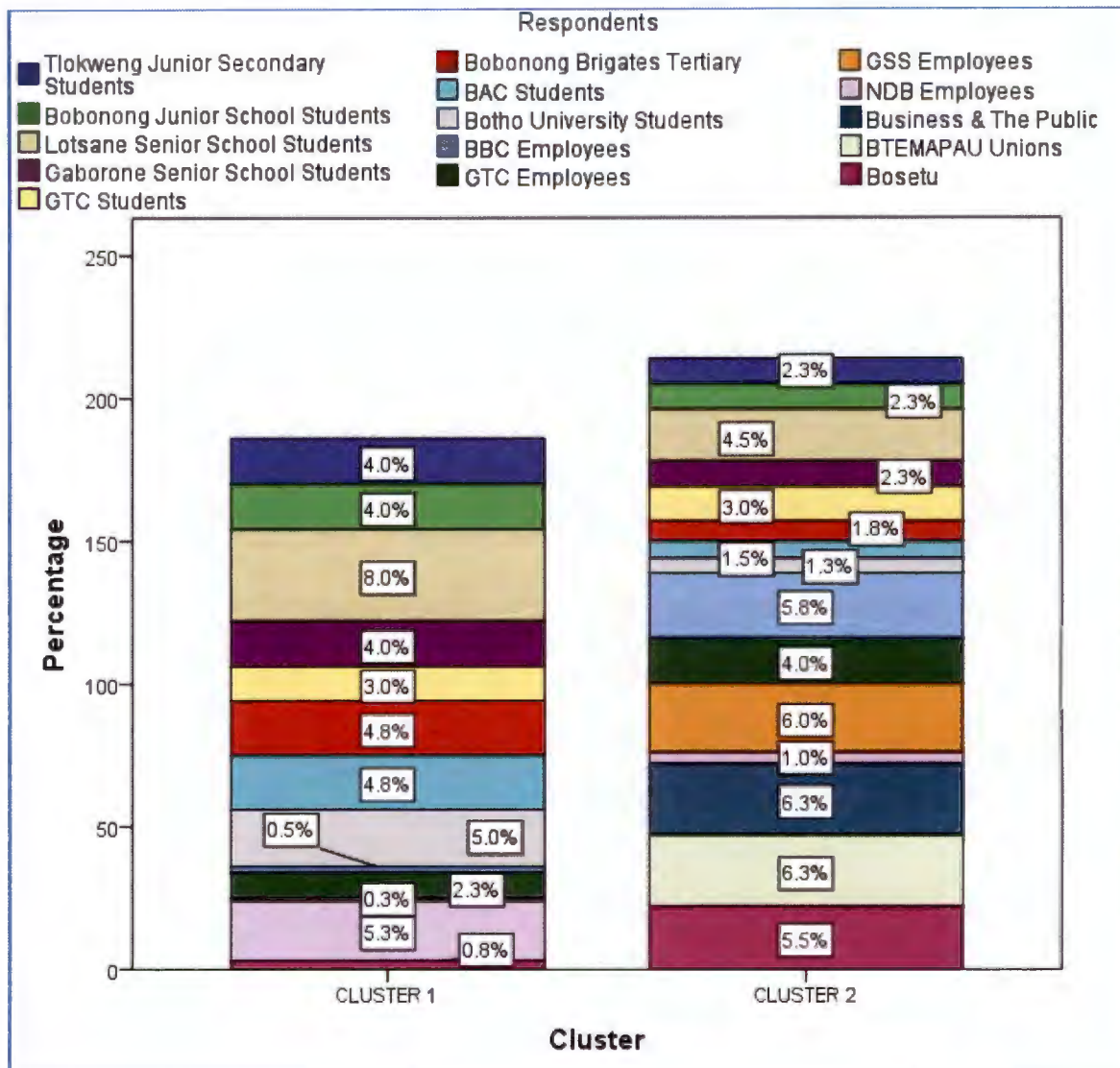
Cluster 3 of **Section 4: Content Financial Literacy Test (Performance Test)** comprises respondents who believe that the account with most interest is a certificate of deposit, they also believe that shares are least beneficial to keep money for emergencies and that the most risky combination of investments is holding shares in one company. These being true except for certificates, this cluster understand that funds meant for emergencies should be easily released. In the case of shares there is a process rather than if money is kept in a current

or cheque account. They understand risk and that keeping money is one company is lack of diversification. Like all the groups they know what IPO stands for as the results show that these individuals understand an IPO to mean Initial Public Offering and they perceive the following as true: Co-signing a loan means that they are responsible for repaying the loan if their friend does not pay and the use of a budget is to learn to get good grades. On the other hand, respondents in Cluster 2 perceive the following as false: a credit card is used by rich people, Co-signing a loan confirms their friend's reliability to be able to pay the loan and that Co-signing a loan means that they are in a better position to get a personal loan. They need to revisit content on co- signing as it is not false to show reliability of the friend to get a loan. These individuals comprise 25.4% of all respondents.

6.6.3 Cross - correlation and Predictors Section 4

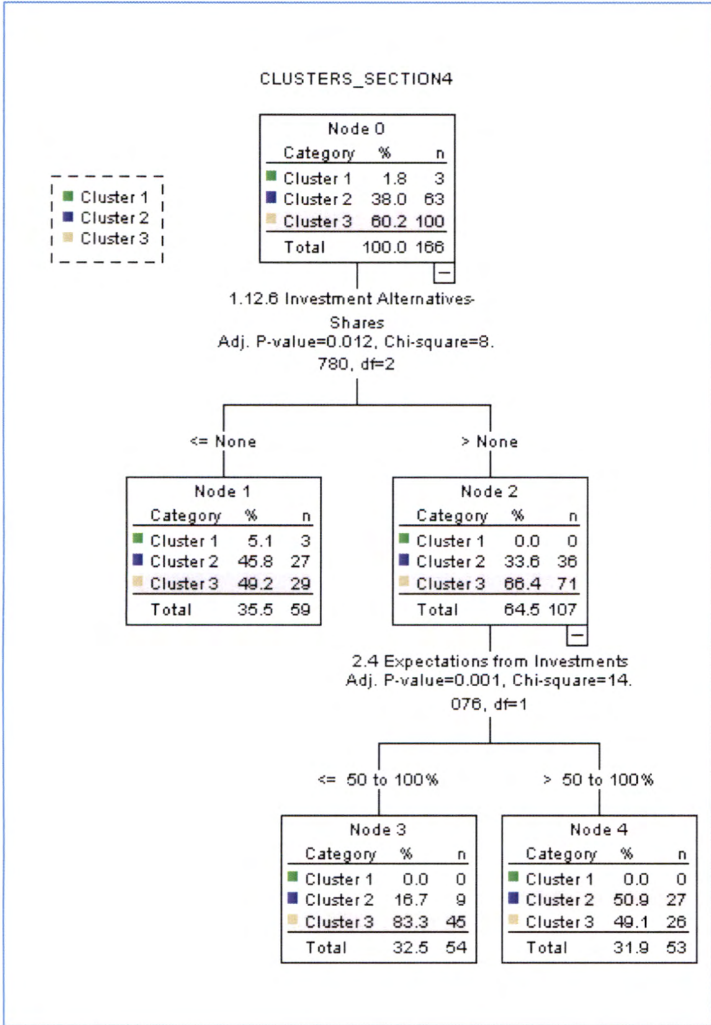
The cross –correlation with the independent variables of Personal Information and type of Investor as predictors of cluster membership for section 4: content financial literacy test (performance test) show that there is no predictability. It is to be noted that percentages of respondents per cluster differ from the ones in **Figure 53** because missing values have been replaced with the median.

Figure 6-53: Section 4 performance test cluster 1 & 2



NWU LIBRARY

Figure 6-54: Cross- correlation and predictor section 4

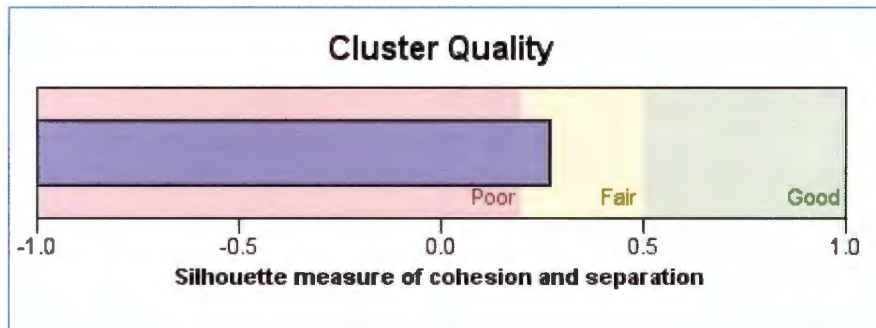


None of the variables measuring Personal Information are appearing in the decision tree above. That is, one cannot tell whether a respondent is likely to fall into either cluster 1 cluster 2 or cluster 3 based on Personal Information. Of all the variables measuring, the Type of Investor, Investor alternatives: Shares and Expectations from Investments may be used for determining whether a respondent is likely to belong to either of the clusters. More specifically, respondents with no share investments are more likely to belong to cluster 1 (5.1%) and cluster 2 (45.8%) than the ones with at least 1 share investment account. Respondents with at least 1 share investment account stand a higher chance of belonging to cluster 3 (64.5%) than the ones with no share investment account. Respondents with who expect 50%-100% return on investments are more likely to belong to cluster 3 (83.3%) than the ones who expect more than 50%-100% return on share investment accounts. Respondents who expect more

than 50%-100% return on investment stand a higher chance of belonging to cluster 2 (50.9%) than the ones who expect less than that.

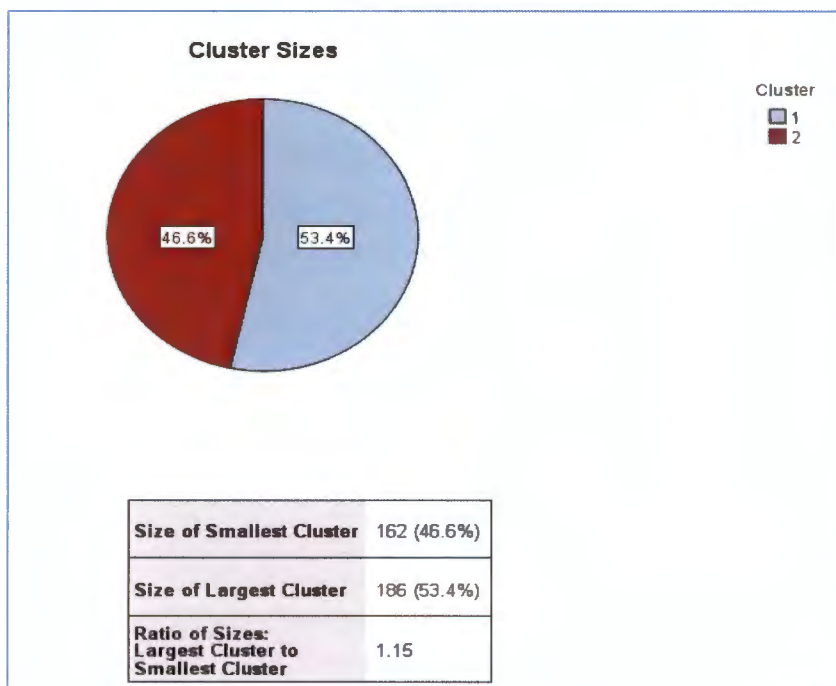
6.6.4 Segmentation for Section 4 Performance Test – Effectiveness

Figure 6-55: Cluster quality Section 4 performance test – effectiveness



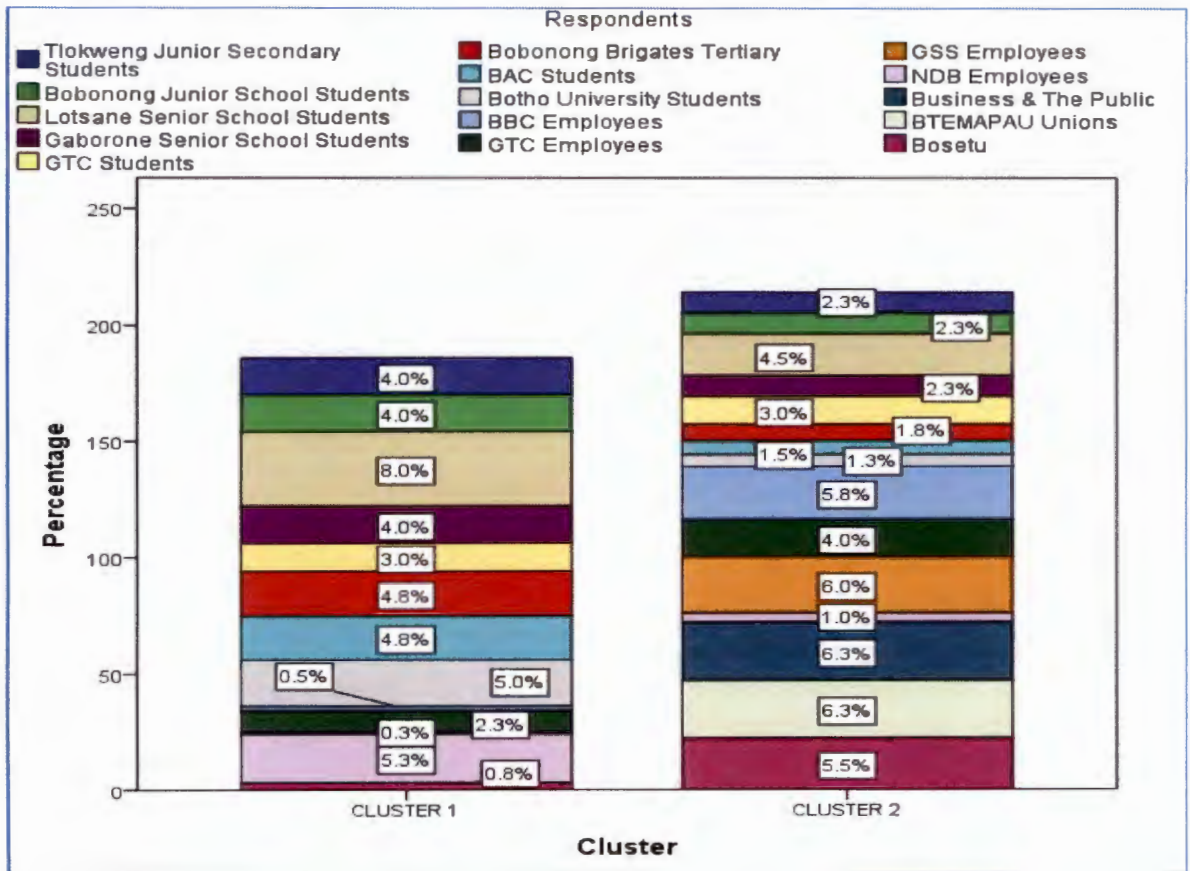
The cluster solution of fair quality, hence it is interpretable.

Figure 6-56: Group size section 4 performance test –effectiveness



Slightly more than half of the respondents belong to Cluster 1 (53.4%) whereas the rest belong to Cluster 2 (46.6%).

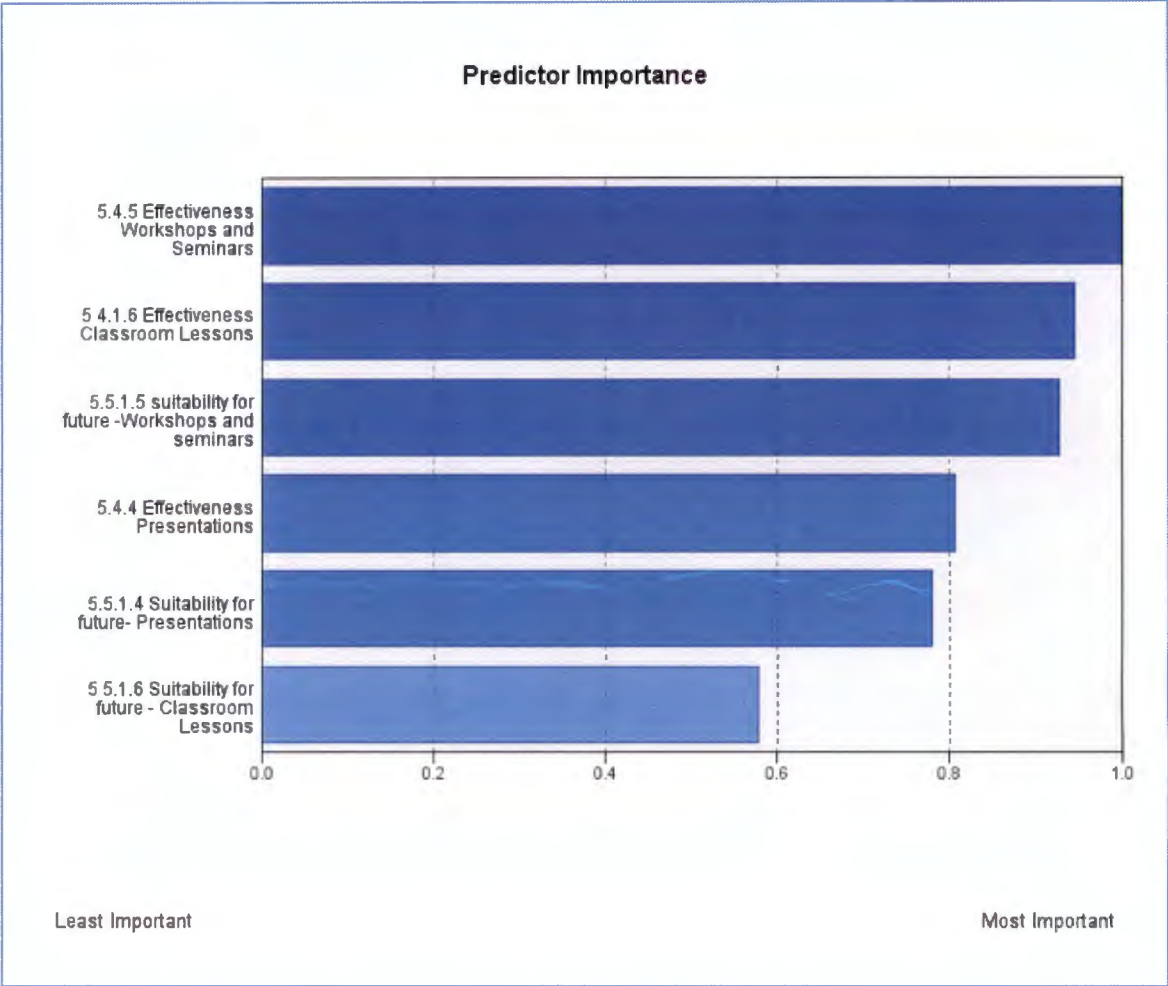
Figure 6-57: Groups in clusters Section 4 performance test – effectiveness



Cluster 1 Mainly – 4.0% Tlokweng Junior School, Gaborone Senior School, Bobonong Junior School, Bobonong Brigades Centre, BAC, Lotsane Senior School, GTC Student (3.0%), Botho University, NDB Employees (53.4%)

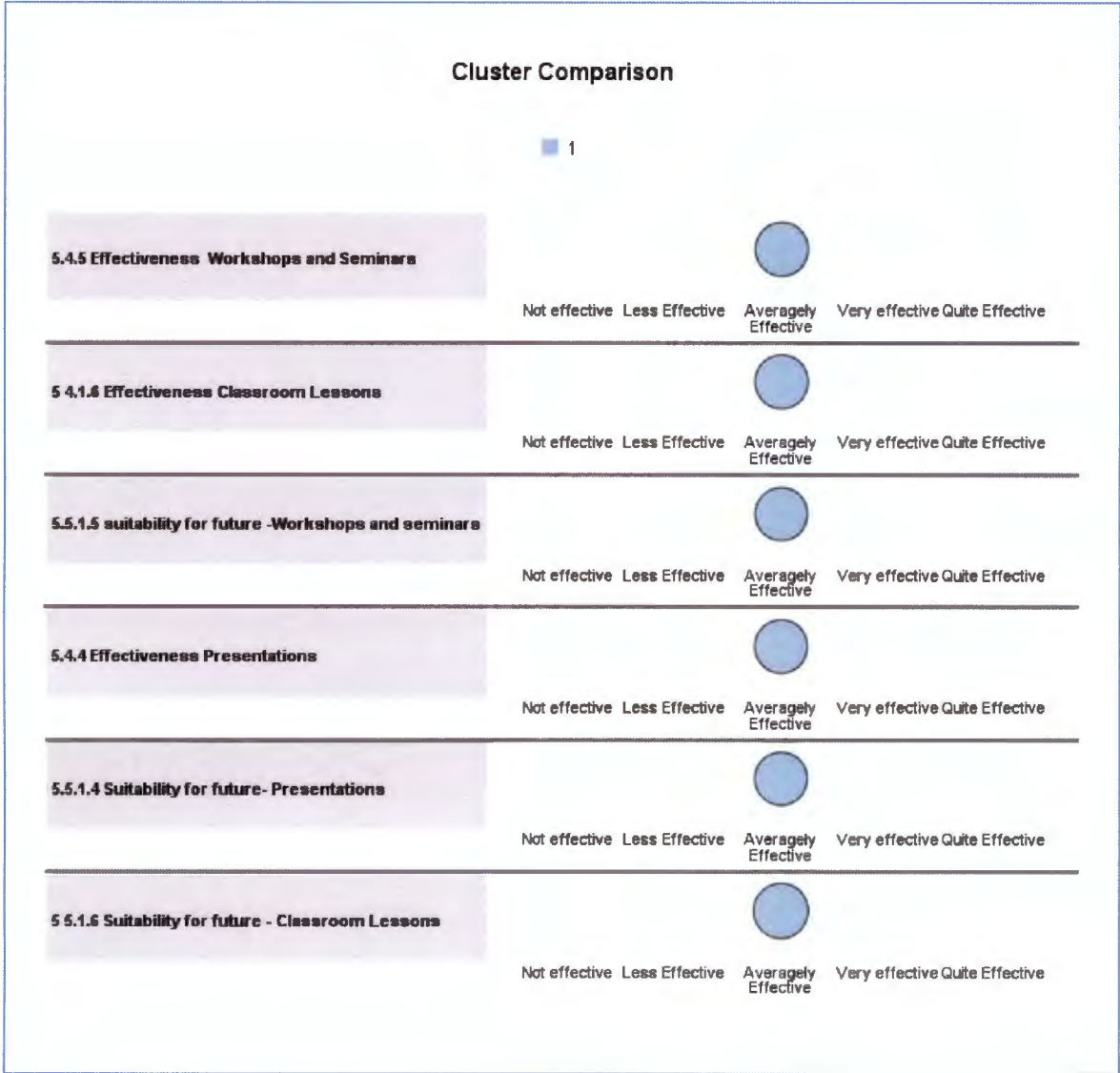
Cluster 2 GTC Employees, Business & Public, BTEMAPAU Unions, BBC employees, GTC Student (3.0%), GSS employees, BBC Employees, Bosetu (46.6%).

Figure 6-58: Predictor Importance



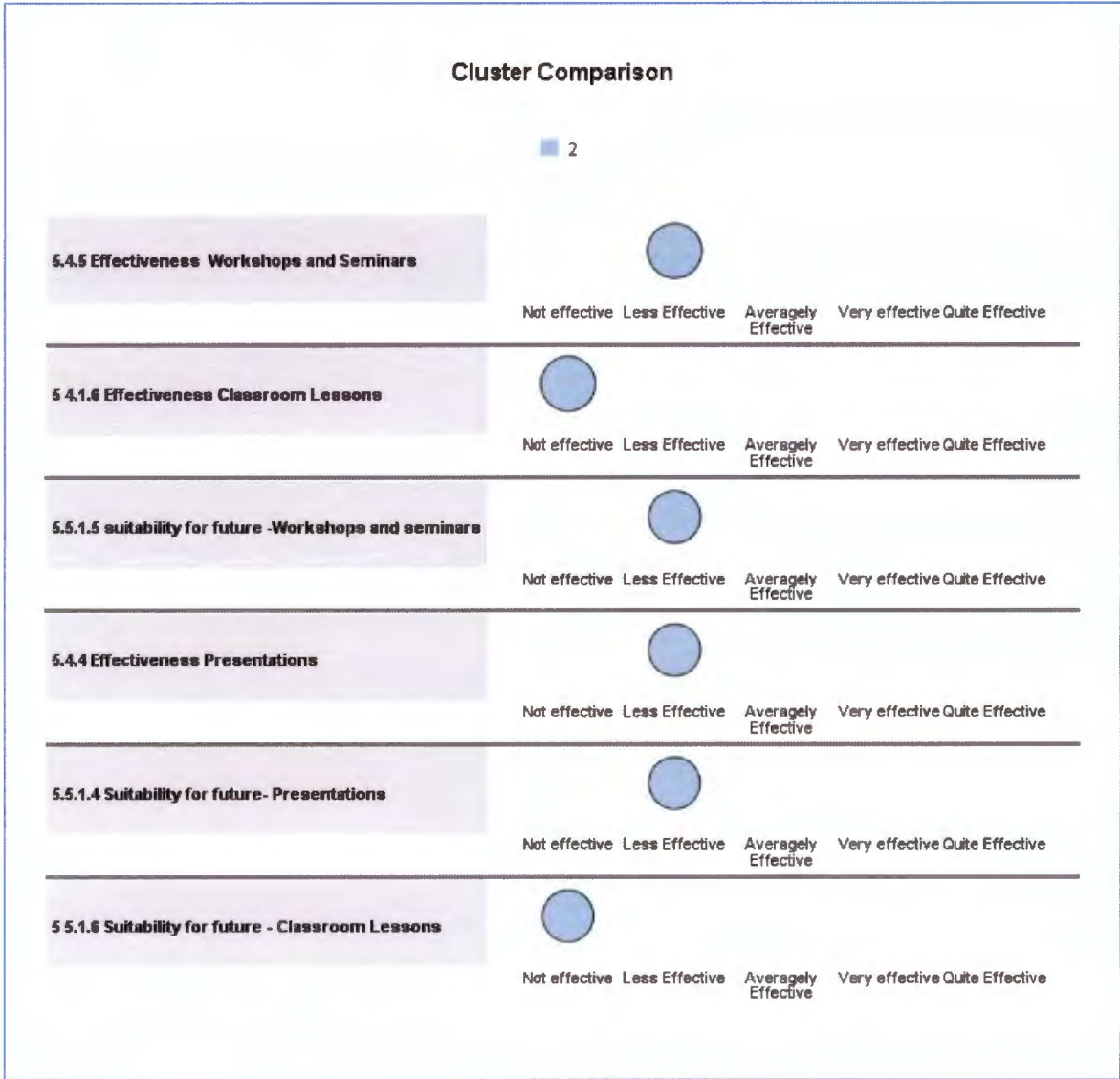
The cluster solution for **section 5: Future Plans for financial education** is mainly defined by the six items in Figure 30. As such, the interpretation of the clusters will be based on these six items (see **Figure 57 and 58**) people prefer workshops and seminars as they are effective and suitable. Classroom lessons are viewed as less effective and are not highly considered for future.

Figure 6-59: Cluster 1 Comparisons future plans for financial literacy



Cluster 1 of **Section 5: future plans for financial education** comprise respondents who perceive all the items in **Figure 59** as averagely effective. These respondents comprise 53.24% of the subjects under study.

Figure 6-60: Cluster 2 Comparisons effectiveness

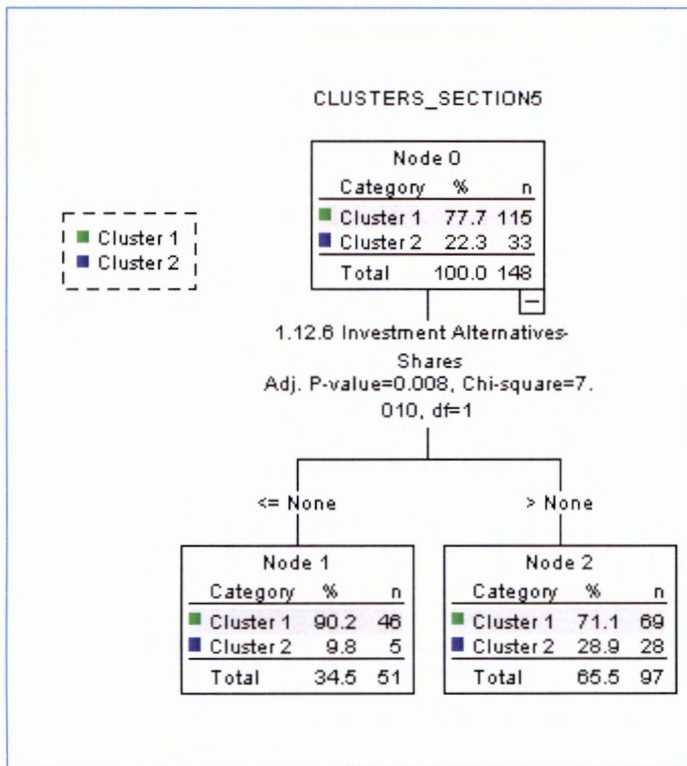


Cluster 2 of **Section 5: Future Plans for Financial Education** comprise respondents who perceive classroom lessons and suitability of classroom lessons for future as not effective and the other four items in **Figure 6.60** as less effective. Presentations, Classroom lessons, Workshops and Seminars are less effective.

6.6.5 Cross-correlation Section 5

When using the independent variables Personal Information and Type of investor as predictors of cluster membership for section 5: future plans for financial education the decision tree showed no predictability.

Figure 6-61: Decision Tree on investment alternatives



None of the variables measuring Personal Information are appearing in the decision tree above. That is, one cannot tell whether a respondent is likely to fall into either cluster 1 or cluster 2 based on Personal Information. Of all the variables measuring, the Type of Investor, investor alternatives: Shares may be used for determining whether a respondent is likely to belong to either of the clusters. More specifically, respondents with no share investments are more likely to belong to cluster 1 (90.2%) than the ones with at least 1 share investment account. Respondents with at least 1 share investment account stand a higher chance of belonging to cluster 2 (28.9%) than the ones with no share investment account.

6.6.6 Association between Section 3, Section 4 and Section 5

Table 6-16: Association between section 3 section 4 and Section 5

VARIABLES TESTED FOR ASSOCIATION	Ch-SQ	Cramer's V	Conclusion
CONTENT (Self-Assessment) & CONTENT FINANCIAL LITERACY TEST (Performance Test)	32.361* *1	0.603**	There is a modest significant association between these variables
CONTENT (Self-Assessment) & FUTURE PLANS FOR FINANCIAL EDUCATION	19.304* *	0.504**	There is a modest significant association between these variables
CONTENT FINANCIAL LITERACY TEST (Performance Test) & FUTURE PLANS FOR FINANCIAL EDUCATION	20.569* *	0.243**	There is a low significant association between these variables

* ** significant at 1%

6.7 Reasons for Having Interest to do a Financial Course In Future

The respondents gave several reasons as to why they may be interested in doing a financial literacy course in future. Figure 6.62 shows that most of the respondents indicated that they want to understand money better; they want to learn more about making money and to know more about saving money.

Figure 6-62: Reasons for interest to learn



6.71 Topics of Interest

The respondents were able to state their most preferred topics. For Topic 1, most respondents indicated that they would like to learn more about investments, followed by money management, portfolio management, budgeting skills and making money. For Topic 2 most respondents want to know more about investments, followed by budgeting skills, saving skills, portfolio management, money management and shares.

Figure 6-63: Topic one Investments



Figure 6-64: Topic two budgeting skills



6.72 Role of government to enhance financial literacy initiatives

Most respondents are of the view that the role of government to enhance financially initiatives is to provide financial counselling services followed by those who think that it is to make financial literacy a subject at schools either as a core or optional subject, to teach them how to make money, to use social media to teach financial terms and to conduct more workshops for small business owners.

Figure 6-65: Role of government to enhance financial literacy initiatives



6.8 Summary of findings and the research question

The part of the study on quantitative analysis was done to measure the impact of financial literacy on the recipients. The variables obtained from the thematic analysis in chapter four mainly to assess: the content (effectiveness, importance and suitability for future): the behaviours and skills to counter check if they depict what was taught, the delivery modes (importance, effectiveness and suitability for future), the topics. The self- assessment showed they were not confident about what they have learnt while the performance test indicated a lot of grey areas to be addressed by financial education providers. The results of the quantitative data collection indicate there is still a lot to do to raise the levels of financial literacy in Botswana. Most of the methods used for deliver are thought not to be effective. The majority of the respondents do not budget and are spending oriented. Their understanding of credit usage, co- signing and (42.5% of all

respondents have myth about credit card that it is for rich people.) 70.9% of the respondents are undecided about budgeting, making records, savings and devising ways to reduce debt. The conclusion is that the level of financial Literacy is not rising yet despite of financial literacy initiatives.

6.9 Chapter Summary

This chapter presented the results of quantitative data analysis using factor analysis: both exploratory and confirmatory analysis, the principal component analysis and the cluster analysis. The following are that the impact of financial education in Botswana remains low despite the interventions made. The priority areas where there is still inadequacy investment and budgeting, money management portfolio diversification and saving skills. The groups which are adversely affected are the students while some like the employees have shown improvement. The culture of and not knowing the area of behavioural importance is still prevalent and that the government of Botswana has been asked to provide financial counselling. Providers have been asked use of workshops and seminars interactive social media because they are viewed as at least suitable and effective by most. The reasons for the respondents to want to continue learning is because they would like to learn financial literacy so may understand money better. These points have contributed to the framework of enhancing financial literacy in Botswana which is explained in the next chapter.

CHAPTER 7 FINDINGS, CONCLUSIONS & RECOMMENDATIONS

7.1 Introduction

The purpose of this chapter is to discuss the results of the qualitative and quantitative analysis and make conclusions. In the process of the discussions and interpretations problems were identified about financial literacy initiatives in Botswana. The research problem is also revisited to discuss if the answers were provided by the results. It is also in this chapter that the framework of enhancing financial literacy initiatives in Botswana is drawn. The framework is an answer to the problems identified in both qualitative and quantitative reports. It is a consolidation of these to offer solutions for Botswana. The chapter describes the applicability of the framework: explains its purpose, clarifies the role of the users, and highlights its contribution to research i.e. body of knowledge. The chapter also points out how the framework answers the research questions. Lastly it indicates how the framework may be limited, offering possibilities of further research.

7.2 Revisiting the Research Problem

Like all countries in the world Botswana is reported to have been affected by the 2008 economic crisis Botswana (Busari and Bamatunde 2009:2), a market loss for diamonds a beef which led to retrenchments and job losses. Employees were ill prepared due to lack of financial education and counselling on personal financial planning. Typical of a developing country as written by Busari and Bamatunde 2009:2 Sparkassenstiftung für Internationale Kooperation (2007:7), there are low levels of financial literacy especially among adults (Fanta (2015:7), among Low Income Earners (LIE) and among young people (Sparkassenstiftung für internationale Kooperation 2007:26) contributing to indebtedness. There were also reports of citizens vulnerable to illegal schemes which promised high returns (Newel 2012:2) on their investment but this brought losses to many yet no hope of recovering their money. According to Messy and Monticone (2012:88) the main problems revealed about Botswana are: low levels of financial literacy, lack of national coordination of the initiatives and lack of measurement and evaluation. This lack of measurement and evaluation of the initiatives has been

identified to be posing problems of lack of evidence for policy makers, researchers, and financial education providers to make informed decisions on financial literacy.

Another important problem identified is lack of funding for financial literacy programmes and for research in the field. According to Sparkassenstiftung für Internationale Kooperation (2007:47) this further aggravates the situation. In most organisations financial literacy is merely a “by-product” which compromises the importance of financial literacy to fund the initiatives or to sponsor research activities. Sparkassenstiftung für Internationale Kooperation (2007:47) identify this to bring lack of “real” measures to assist in understanding the levels of financial literacy. According to Monticone and Messy (2011:345) having also placed financial literacy to be championed by the private sector reflects no strategic intent or coordination by government. With no national coordination like in other countries Brazil, Mexico, Latin America and South Africa, the progress towards standardisation of measures, regulation and control is slow. According to Monticone and Messy (2011:345) this lack of government intervention could lead to self - serving interest like “marketing strategies” for the businesses rather than serving the interest of informing and educating the consumer.

Besides measurement and evaluation problems Sparkassenstiftung für Internationale Kooperation (2007:26) indicates that most of the financial literacy initiatives in Botswana have not prioritised important aspects: budgeting, insurance and dangers of credit. In terms of financial inclusion, target groups may have penetration in the banking or financial system but not understand the advantages of such (Fanta Mutsonziwa and Naidoo (2016:7). In addition to content and issues of financial inclusion, Sparkassenstiftung für Internationale Kooperation (2007:11) reveal that approaches are not appropriately sited to the target audiences and that in Botswana lack of incorporating financial literacy in the school curriculum low levels of financial literacy among youth will continue to be evident. The solutions to these problems have been identified and provided by the framework illustrated in this chapter.

7.3 Revisiting the research Questions and objectives

The research questions for this study were drawn from the statement of the problem summarised above.

RQ1. What are the reasons for providing Financial Literacy initiatives?

RQ2. What is the impact of financial literacy initiatives on consumers in Botswana?

RQ3. How can financial literacy is enhanced initiatives in Botswana?

RQ4. How may the different stakeholders enhance financial literacy initiatives?

RQ5. What is the framework proposed to enhance financial literacy in Botswana?

This study aimed at evaluating and measuring the impact of financial literacy initiatives in Botswana and mapping up a framework of how to enhance them. The initiatives are not nationally coordinated or evaluated and the impact on the recipients is not measured. While research has been conducted around the world in Botswana there is lack of specific studies on the financial literacy initiatives, which has made it difficult to know how delivering financial education could be improved. Therefore it was necessary to evaluate the programmes and contribute to the body of knowledge by providing a framework for enhancing the initiatives. It was also of interest to measure and confirm the impact of financially literacy initiatives. This assisted to generate the following objectives:

Obj1. To establish the reasons for conducting financial literacy initiatives

Obj2. To evaluate the impact of financial literacy initiatives on consumers

Obj3. To find out the ways of enhancing financial literacy initiatives

Obj4. To assess the role of stakeholders in enhancing the initiatives

Obj5. To develop a framework of enhancing financial literacy initiatives

Figure 7.1 shows how the research questions match the research objectives while table 7.1 indicates how these questions have been answered.

Figure 7-2: Research objectives matched with research questions

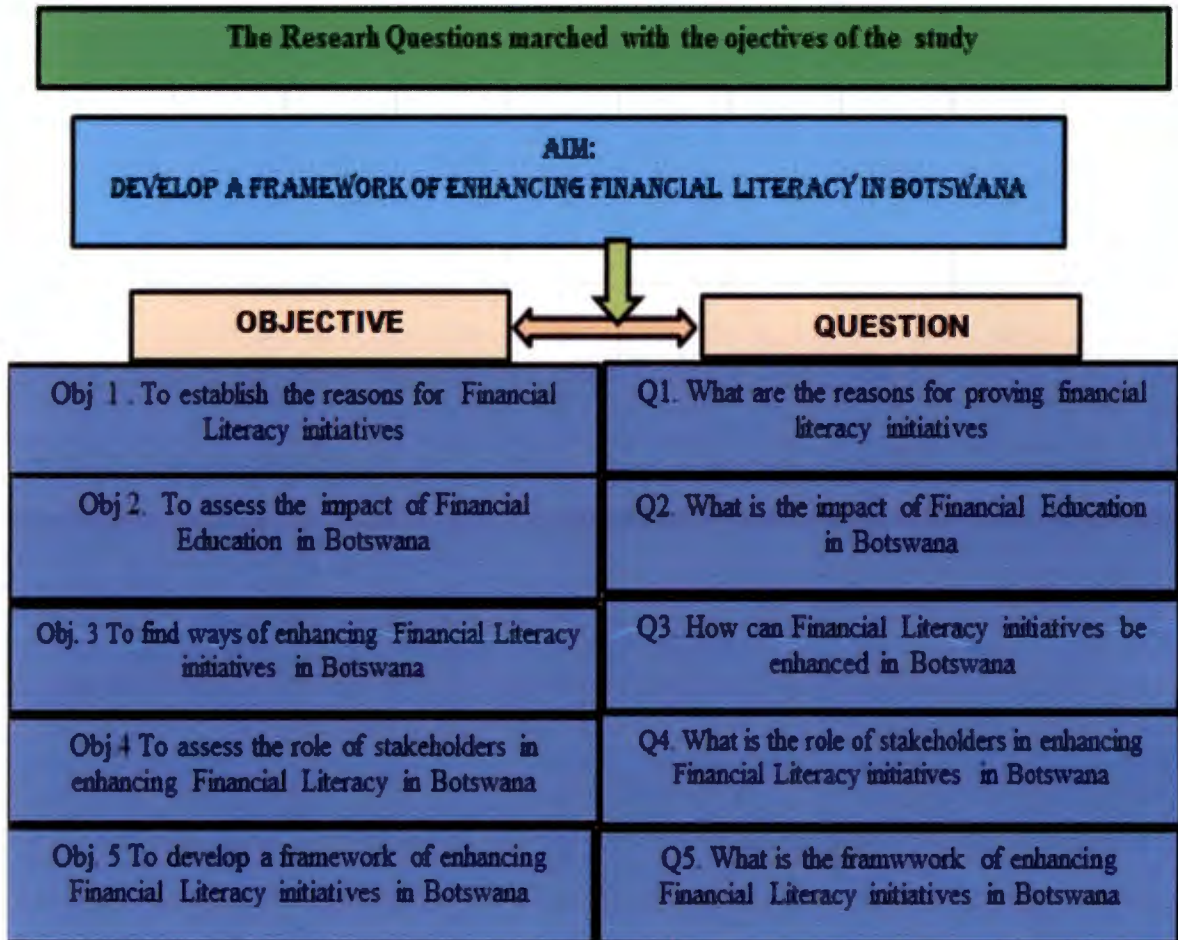


Table 7-2: Answers to the research questions

Phase	Theme/Task	Objective	Research Question	Answers
QUALITATIVE	Theme 1 Consumer Empowerment	Obj.1 To establish the reasons for conducting financial literacy initiatives	RQ1 What are the reasons for financial literacy initiatives?	Financial literacy is offered to give citizens empowerment to change their perception, behaviour and attitudes. It helps them in make informed decisions. Respondents still show lack of understanding of some the concepts in financial literacy.
	Theme 2 Stability & Sustainability	Ob1. To establish the reasons for conducting financial literacy initiatives	RQ1 What are the reasons for financial literacy initiatives?	Financial education is meant to assist consumers to create financial stability and sustainability for personal financial management. This also contributes to stability and sustainability of the financial system at large in the financial markets. Financial inclusion is the first step, opening of accounts and participating in the stock market.
	Theme 3 Business Growth	Ob1. To establish the reasons for conducting financial literacy initiatives	RQ1 What are the benefits of financial literacy initiatives on the providers? (reason)	Many of the private sector indicated they benefit from the initiatives for sales and marketing. They offer financial literacy for Corporate Social Responsibility (CSR) using what they deem as minimal costs for great benefits model. They offer financial literacy as part of customer oriented service – so that customers understand the product and services
	Theme 4 Inclusive Financial education	Obj3. To find out the ways of enhancing financial literacy initiatives	RQ3 How may Financial Literacy initiatives be enhanced	To enhance financial literacy initiatives the providers must reach out to different people through different methods. Some methods are not effective to particular groups; presentation not meant for young children, yet social media is recommended because it is trendy for and suitable for them.

Theme Measurement & Evaluation	5 Obj3. To find out the ways of enhancing financial literacy initiatives	RQ3 How may Financial Literacy initiatives be enhanced	Lack of measurement and evaluation is a problem in Botswana; it should be conducted to give feedback. If encouraged it may enhance the initiatives because it determines suitability of methods and content. It also adds to the body of knowledge. It should also be part and parcel for research to add to the body of knowledge and assist policy makers to make informed decisions.
Theme 6 Government led National Strategy	Obj4. To assess the role of stakeholders in enhancing the initiatives	RQ4 How may the different stakeholders enhance financial literacy initiatives?	Further to enhance financial literacy all stakeholders must be Involvement. There should be a defined Curriculum (the priority areas are identified by the quantitative analysis). The government should be in the lead for regulation and control. There should be a multi – sectoral approach to find strategies of implementation.
QUANTITATIVE	Impact Analysis	Obj2. To evaluate the impact of financial literacy initiatives on consumers	RQ2 What is the impact of financial literacy initiatives on consumers in Botswana?
			The impact of financial education is still low especially among young people. Employees have however shown improvement in dealing with income and debt. The Priority areas identified are: <ol style="list-style-type: none"> 1. Investments 2. Portfolio management 3. Loan management 4. Budgeting Skills

7.4 Review of the Literature Research Findings

Literature surrounding the field of financial literacy was reviewed and analysed in both chapter two and three of this study. Journals, books, newspapers, reports and numerous publications on the subject were read and analysed. This enabled the definition of the concepts of financial literacy and the review advised the incorporation of the outcome driven approach into the cognitive driven approach. It also gave insight to the associated concepts such as financial education, financial inclusion and financial capability. It is through this literature review that the study was informed of the low levels of financial literacy in Botswana and that the initiatives are carried out for different reasons by different institutions (Xiao *et al* 2014:4). The findings also indicated that the delivery of financial education has an outcome of particular knowledge learnt, skills acquired and behaviours and attitudes adjusted. Financial capability as an important concept in the field of financial literacy was also defined, giving insight on what can be done to make financial education effective. The definitions also assisted in setting out the indicators of financial capability: These were obtained mainly from Kempson and Atkinson (2008:8) Holzmann (2010:4) and thus utilised for the self-assessment items in the questionnaire for the respondents in this study.

There are no specific theories of financial literacy but the analysis of literature directed towards behavioral outcome aspect of financial education hence a conclusion to choose the behavioural theories (Xiao *et al* 2014:4) and motivational theories Braunstein and Welch (2002) Fox, Bartholomae and Lee (2005:105) Hilgert, Hogarth and Beverly (2003:311), Mandell and Klein (2007:107-114) to map the theoretical framework of this study. In this study employees indicated behavioural change after receiving financial education to compliment such researches and studies which agree that financial education yields positive financial behavioural outcomes. However some authors like Willies (2008b:2) question the causal effect of financial education and its behavioural outcomes. Other authors like Hilgert, Hogarth and Beverly (2003:312), also indicate that the causality is not yet clear. This study also reposed its theoretical framework on the Trans Theoretical Model (TTM) of Change. The theory is

applicable because it is commonly used in explaining of behavioural change analysis from three different disciplines: psychology, sociology and economics. Its applicability in this study mainly associated to behavioural economics. It is pertinent as it reverberates much with Mandell and Klein (2007:107-114) motivation theory, and because of its utility in financial management behaviour. According to Xiao (2014:8) the theory is a tool which holds the promise to evaluating financial management behaviour having been applied successfully to evaluating other behaviours displayed by people.

Despite some discerning views that financial education may not be the solution to financial illiteracy, the value and benefits of the education are accrued by different target audiences from many financial literacy programmes around the world. The empirical analysis indicated various methods being employed to teach particular contents to diverse target audiences. Methods such as classroom instruction, credit counseling, web and social interactive approaches are found to be predominantly utilised to deliver the content while the priority areas are often on savings, income and debt management, budgeting skills, banking and insurance. Hastings, Madrian and Skimmyhorn (2012:30) indicate that there is need to move away from traditional methods and embrace more of integrated approaches for suitability and effectiveness. According to Huston (2010:310), Lusardi and Mitchell (2009:2), Cohen and Nelson (2011:11) the ideal solution is to have customised and tailor-made programmes for the target group influenced by the factors such as level education, gender, and socio economic backgrounds. This is deduced from the literature analysis to be the best starting point in ensuring efficacy of the programmes.

The importance of financial education and the purposes of carrying out these programmes and initiatives being: consumer empowerment and consumer protection (Parker and Yoong 2009:5), wealth creation (Sebtad, Cohen and Stack 2006:5, Bell & Lerman 2005:8, Schuchardt et al (2009:88) and for the improvement of financial services and delivery (Frączek and Klimontowicz 2015: 63, Miller and *et al* 2009:8, Worthington 2006:1 and Rutledge and *et al* 2010:3). Most importantly it was noted that financial education should be conducted for consumers 'best interest' (Mandell and Klein 2007:107- 114) rather than for business interest. The interpretation is that while the businesses may engage in

their marketing strategies for clientele growth using financial education selling their products and services, they should also exercise customer care.

In the measurement and evaluation of financial literacy, studies around the world indicated the utilisation of various methodologies, the most prevalent being multi-step approach analysis of the programme. Sharpe (2011:73) argues that multi-method approaches are commonly used for programme evaluation examples of studies being Lown and Nelson (2013:22), Berriche Salerno and Calciu 2014:589, Shockey and Seiling (2004: 91). These studies also happen to have used the Trans Theoretical Model. The literature analysis revealed Programme Theory Evaluation (PTE) to be suitable to map the measurement and evaluation of financial literacy initiatives. According to Sharpe, (2011:72) the PTE has the ability to allow the evaluation of inputs, process, and outputs, and this has been noticed from the literature analysis that it resonates with the conceptual framework that financial education is a process entailing these aspects. According to Lown and Nelson (2013:22), Barkman (2003:3) Setari (2014:5) the OECD (2010:4) Sharpe 2011:72), the logic model as an effective tool linked to PTE, suitable to aid in measurement and evaluation of the programmes and initiatives especially those which require a multi- step approach

The literature review also aided in developing the framework of enhancing financial literacy because there were insight on how the national strategies are implemented in different countries (Munro and Manje 2013:1), South Africa (OECD 2013:23) and Department of National Treasury Republic of South Africa 2013:1) Canada (National Strategy for Financial Literacy – Count me in, Canada 2015:5) Japan (Furusawa: 2014:1, and OECD 2013:23) and the United States of America (National Strategy for Financial Literacy 2011:1). The analysis of the empirical studies also contributed insights to methodologies, measures and financial literacy question, some of which were adapted and contextualised to this study. These solutions obtained from these studies being: government led strategies, stakeholder participation, measurement and evaluation, interactive methods, contextualised content, and an industry based defined curriculum. These have been enshrined in the framework of enhancing financial literacy initiatives in Botswana.

7.5 Review of the Research Methodology

The research methodology of this study is explicated in chapter four. It discusses the history of the philosophical stance of the study which is the pragmatism. According to Gray (2013:28) pragmatism is said to have regained some of its popularity, largely because of the insights it has provided for research into management and organizations and also because it is viewed to provide an epistemological justification for mixing approaches and methods. The pragmatism therefore tallies with the methodological approach of Mixed Method as indicated by Johnson and Onwuegbuzie (2004:17), Combs and Onwuegbuzie (2010:2) to be a suitable alternative to covering shortfalls in single approaches. The MMR type being exploratory sequential design moving from an exploratory study using qualitative research for instrument development then to the quantitative design for impact analysis. Both of these supporting the study to be driven by the research question (Karley, 2013:23). The following are also stated in this chapter: the aim of the research, research objectives, the research questions and sub questions. It also includes the research population which sampling methods and techniques. The chapter further explains the process of acquiring data and the instruments used which are semi- structured interviews questions for qualitative but a questionnaire for the quantitative approach. Lastly it explains data analysis approaches which are Thematic Analysis for qualitative data but confirmatory data analysis for quantitative data. This design has enabled the study to have results synthetised into a whole to develop the framework.

7.6 Review of Results of Qualitative Data Analysis

The qualitative data analysis of the structured interviews revealed six themes and contributed in the design a framework of enhancing financial literacy initiatives and the development of a questionnaire for quantitative data collection. The results provided variables of interest for the questionnaire. The six these are: **Theme 1** Consumer Empowerment **Theme 2** Stability & Sustainability, **Theme 3** Business Growth **Theme 4** Inclusive Financial education **Theme 5** Measurement & Evaluation **Theme 6** Government led National Strategy.

The first three themes articulate the reasons for offering financial literacy initiatives: the initiatives are offered for consumer empowerment, for stability and sustainability through debt and income management, budgeting and being a part of the financial sector, for business development through clientele growth, sales increase and for customer satisfaction. Theme four is about who the target audiences are: the consumers who receive financial education and how best they may be offered the initiatives. This has contributed to how the groups may be selected and the methods which are suitable for them. It is not only the suitability of the methods discussed but also their effectiveness. Knowing this assists in making improvements in the initiatives. Theme five focuses on Measurement & Evaluation which is another way of enhancing financial literacy initiatives. This should be conducted because it informs on areas for improvement and highlights the insufficiencies that could be found in an initiative. The last theme is about government intervention to lead the initiatives. From these themes there are problems identified with the solutions provided by the framework in **Figure 7.7**

7.6.1 Major Findings and Problems from Qualitative Analysis

The qualitative results revealed the following problems: low levels and less consumer protection, lack of financial Counselling, use of inappropriate methods, lack of funding for financial education, lack of measurement and evaluation, lack of Government intervention and lack of a defined curriculum.

7.6.1.1 Low levels and less consumer protection

The results of the qualitative analysis confirmed some of the problems as above: other than the literature review the institutions also reflected that there are low levels of financial literacy in Botswana despite some financial literacy initiatives carried out. Low levels of financial literacy have been identified among all segments but found to be acute among: Low Income Earners, the marginalised groups and the small business community. Most of the interviewees (**P1, P6, P8, and P19**) attested to that and it said the lack of knowledges and skills to deal with personal finance brings repercussions of more debt and less protection from high interest loans. **P1**: *“Batswana with low levels of financial literacy are prey to high Motshelo and cash loans interest rates”, P6: *“Low level of financial literacy does**

not expose them to access to banking, and they borrow from cash loans which have high interest rates improvements: P8: "Low level of financial literacy lead to not knowing about banking or about better areas to finance". The lack of regulation and policy framework leaves consumers less protected. Consumers' protection is an integral part of financial literacy (International Network of Financial Education (2009:3).

7.6.1.2 Lack of financial Counselling

Most of the interviewees felt that there is lack of financial counselling and so some said it should be done in Botswana. **P8:** advocates for counselling and that it has to be introduced in Botswana and to be utilised in the same manner as in South Africa. Financial counselling is preferred as a face to face interactive method - (**P2, P3, P9, and P14** because it is effective. The interpretation is that counselling gives a consumer an opportunity to deal with his personal finances directly away from a crowd. It can also be useful for customisation of products and services especially for private customers. Lack of counselling has also been identified by the individuals under quantitative research.

7.6.1.3 Use of inappropriate methods

It is realised that more interactive methods other than classroom instructions and lecturing are preferred. The classroom methods and lecturing are viewed as outdated and ineffective. **P1:** "*Lecturing however is not effective as it does not involve them more*". Presentations are not effective on their own but they need to be coupled by discussions, questions and debates to make them interactive and interesting. (**P7, P9, P10, P11, P13, P14, P15, P16, P17**) *methods must be mixed to make them effective*. Presentations are also not suitable for young children: "*Presenting to kids is not effective because of their short concentration span*". The interpretation is that the age and the concentration span of the group have to be taken in consideration in selecting the methods.

7.6.1.4 Lack of funding for financial education

Costs for financial literacy initiatives are quite insignificant and so not easy to quantify: **P3:** "*Costs not easy to quantify as they are just covered by the marketing*

budget” while **P14** says: *“Not significant – included under marketing costs”* **P11**: *“Training by regions expensive – there are high transportation costs to reach rural areas, but still costs quite less compared to benefits”* **P17**: *“Minimal costs Covered under advertising and Marketing”*. This is why the initiatives may not be effective as they are a by the way product. Initiatives under Social Corporate Responsibility may or may not be done. Besides this, financial literacy has no place of its own but it is housed mostly by marketing.

7.6.1.5 Lack of Measurement and Evaluation

There is lack of evaluation of the programmes. Some do conduct informal assessment but there is no summative, or impact analysis. The narratives are: **P7**: *“There is no measurement framework to measure impact & outcome; the government should lead in creating a M&E framework”* **P9**: *There is no framework to measure impact but it is important, researchers must play a role in designing the Measurement and Evaluation framework”* **P6**: *“There is no measurement framework to measure impact analysis; it should be created by researchers”***P11**: *“They should be an evaluation framework to measure levels of financial literacy in Botswana, researchers must take part & government should encourage them”* **P3**:*“No tools to measure, researchers, bankers and media practitioners to develop them”* and **P4**: *No formal impact analysis to identify gaps in programme”*. This means that such a lack has created no bank for measures of financial education.

7.6.1.6 Lack of Government intervention

The answers by the interviews revealed that there is no policy, no government coordination or intervention. **P4**: *“There is need for policy and national strategy on financial literacy”,* **P5**: *“Government should embark on national strategy which cultivates the culture of saving than borrowing”,* **P8**: *“Government must have a national strategy that enforces everyone to take part in educating the public on finance. Government has also been identified lacking control over Motshelo* **P12**:*“Government policy to control Motshelo & cash loans”* Unregulated activities lead to unfair and high interest rate charges on borrowing.

7.6.1.7 Lack of a defined curriculum

The quantitative analysis also reveals financial literacy does not yet have a place in the school curriculum, not as a core or optional subject. The problems with the curriculum are that: Curriculum is not contextualised to the target group and curriculum is not industry based. This problem indicates that Botswana has not yet made it clear nationwide what should be learnt, how it should be learnt and who has to receive it.

7.7 Review of the results of the Quantitative Data Analysis

The quantitative data analysis confirmed that there are still low levels of financial literacy especially among young people. However many Botswana have financial inclusion – most of them (68.8%) use the banking system. The priority areas identified are: investment, budgeting, saving skills, loan management, portfolio management. The scores and the answers on performance test indicated that there is need for continuous Measurement & Evaluation. The respondents indicated that the role of government should be that of offering financial counselling service. This contributed to the point raised by the theme 6 in qualitative analysis to have national coordination of initiatives. Similarly to the qualitative analysis, the results of the quantitative research revealed that there still low levels of financial literacy in Botswana. This is derived from the performance test which versus confidence questions by the respondents.

7.7.1 Major Findings and Problems Quantitative Analysis

The quantitative analysis revealed the following problems: financial Inclusion without understanding, lack of understanding investment and savings, poor application of skills and behaviours learnt – budgeting and lack of obtaining the correct information.

7.7.1.1 Financial Inclusion without understanding

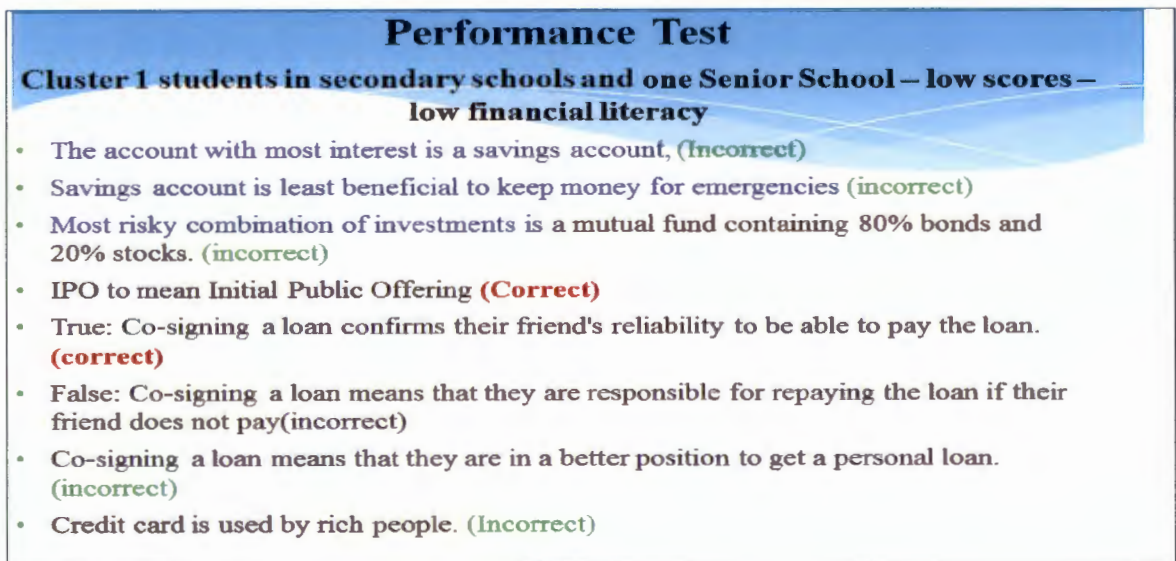
Most (68.8%) have a savings account and 42% of respondents have a current account and this statistics indicating financial inclusion. Considering their confidence that is measuring of their own 'financial literacy', debt levels are low

with debts Loans at 8.3%, car loans at 15.3% personal loans 11%- most with no credit loans, yet the performance tests with low scores indicated that their level of understanding is not in correlation with their level of financial inclusion or financial capability. The problem being identified is that indicators of financial inclusion may not mean an indication of being financially literate (Fanta 2015:7).

7.7.1.2 Lack of understanding investment and savings

This is one of the shortcomings identified among consumers. Investment in Insurance (36.5% (highest number of respondents), 33% (Second) invest in shares – participation in stock market though only 0.3% on Debentures and bonds is evident, However their answers to the questions on Type of investor reflect lack of understanding. The correlation between these as is indicated students in junior schools and one senior school 32.1% of them did not know “Most risky combination” of investments, did know the account with most savings interest, did not know the implications of core signing or even who uses a credit card – they think it is used by rich people. Similarly their performance in understanding the risk returns and investment is low - (62% prefer safety) which means a large number of the respondents with students included would like to invest safely yet they want high returns. The performance scores below illustrate this.

Figure 7-2: Students’ Scores on performance test Cluster 1



Those who showed moderate level were the unions and tertiary students, most of their answers were correct – scores showing moderate level of financial literacy. The level among the employees was better than the rest as illustrated by **figure 7.3**



Figure 7-3: Employees' Scores on performance test cluster 3

Performance Test

Cluster 3 Employees have better level of understanding than the rest of the groups

- ▶ Account with most interest is a certificate of deposit (**incorrect**)
- ❖ Shares are least beneficial to keep money for emergencies (**Correct**)
- ❖ Most risky combination of investments is holding shares in one company (**correct**)
- ❖ IPO to mean Initial Public Offering (**correct**)
- ❖ False: Co-signing a loan means that they are responsible for repaying the loan (**correct**)
- ❖ True: Co-signing a loan confirms their friend's reliability to be able to pay the loan (**correct**)
- ❖ False: Co-signing a loan means that they are in a better position to get a personal loan. (**correct**)
- ❖ False: Use of a budget is to learn to get good grades. (**correct**)
- ❖ False: a credit card is used by rich people (**correct**)

7.7.1.3 Poor application of skills and behaviours learnt – Budgeting

The results of the confidence questions reveal 68% of respondents to be able to Keep a budget – may reflect a culture towards budgeting. The students are among these groups with their confidence level (Confidence test) very low as indicated in the figure below:

Figure 7-4: Confidence levels (students in Junior Schools)

Self Assessment

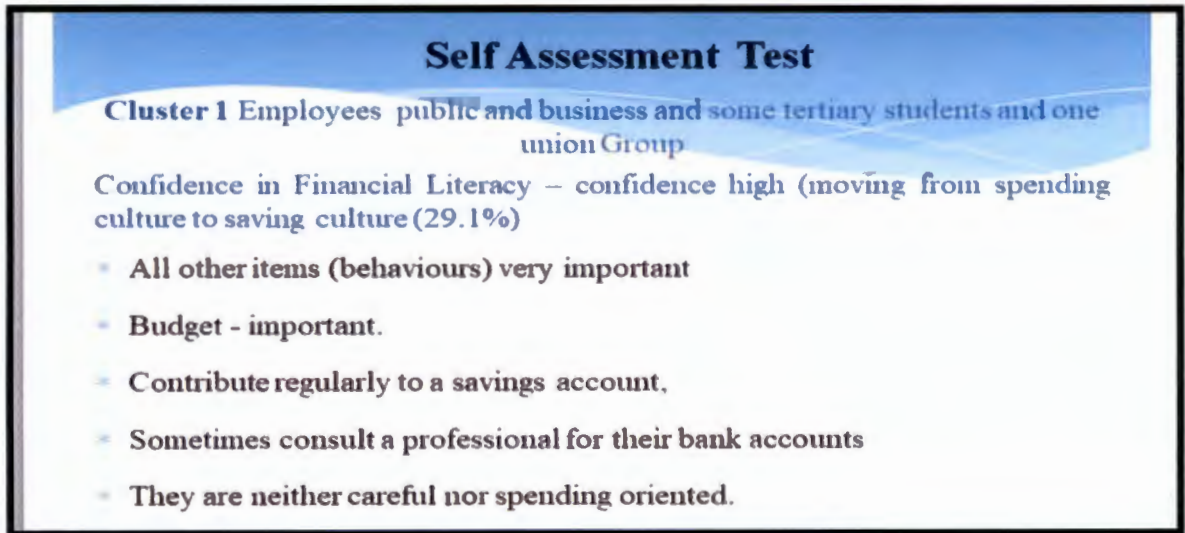
Cluster 2 Students – Mostly students

Confidence and Empowerment very low (70.9%)

- * Undecided about items 3.9 behavioural Importance - Budgeting
- * Do not contribute regularly to a savings account at all,
- * Never consult a professional for their bank
- * Very spending-oriented and hardly ever save money.
- * **The interpretation** is that a large number of a group of people are spending orientated and since they do not appreciate the importance of consulting professional, they may not even know ways of preserving their income or wealth. They are undecided about budgeting which is viewed as the most central skill towards income and debt management. **Financial literacy low**

It is however is better for the employees. In the self – assessment employees indicate budgeting as very important, they contribute regularly to a savings account, and sometimes they consult a professional for their bank accounts yet they are neither careful nor spending oriented. **Figure 7.5** illustrates this scenario.

Figure 7-5: Confidence level (employees, tertiary students & union)



In the performance test they know what is true or false about budgeting. The testimonies from the qualitative analysis also support improvement for the employees: **P19**: *“There has been a change on the behaviour of employees as they are able to live within means, budget and keep track of their money and there is also change in spending habits”* It is therefore concluded that among all the groups employees are better at exercising the skills and behaviours learnt.

7.7.1.4 Lack of obtaining the correct information

Most of the respondents do not seek information from the right people or from professionals. They prefer to consult families, friends and core workers. Cluster 2 in cluster analysis comprised of a large number of respondents (70.9%), mostly students who indicated to never consult professionals. Their lack of this coupled with their *“very spending-oriented and hardly ever saving money”* attitudes and their lack of regular contribution to a savings account, is interpreted to mean that a large group of people do not get the right information about savings, wealth

creation income and debt management. Getting the right information is a basic step to personal financial management.

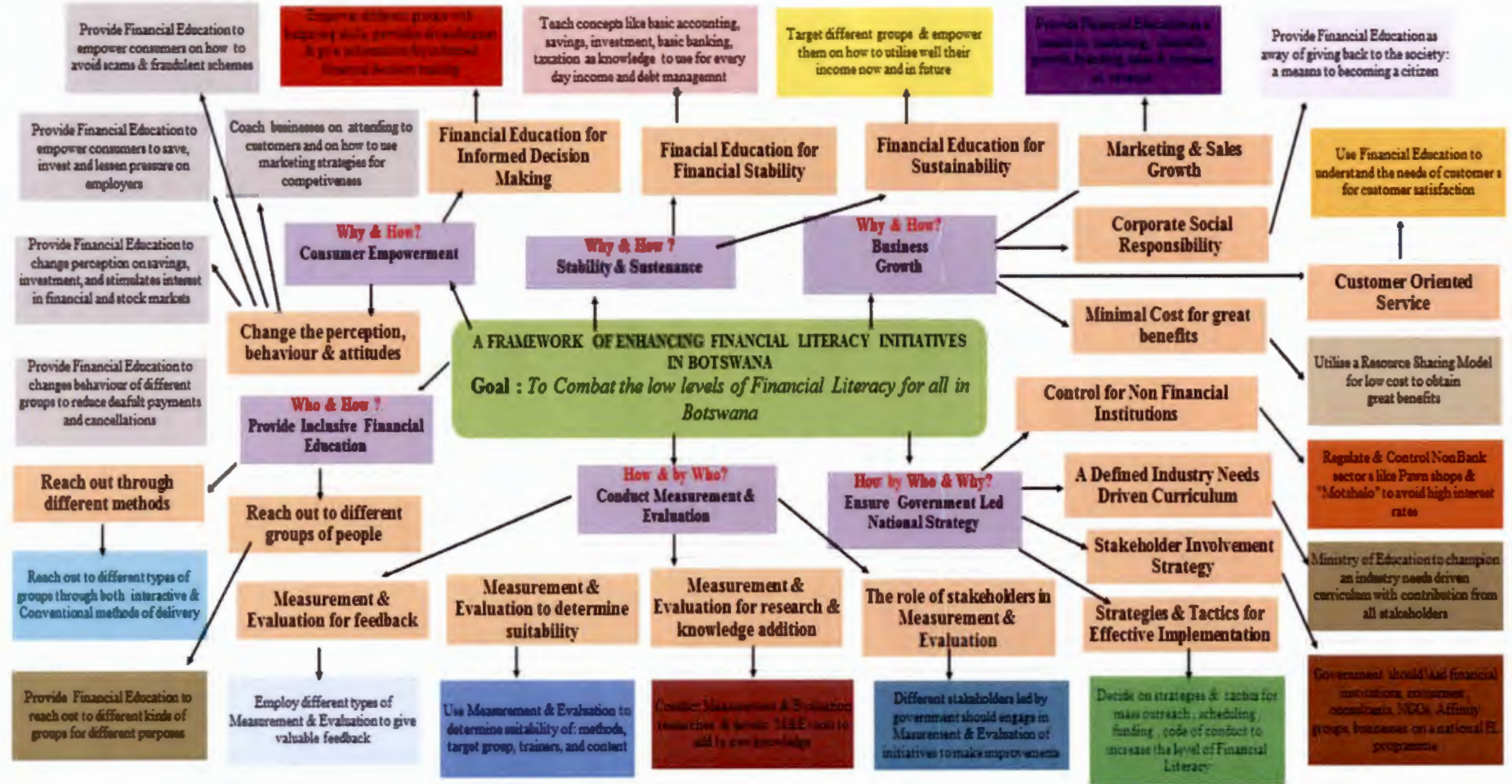
7.8 The Framework: A synthesis of Qualitative and Quantitative Results

In the light of the above problems the framework in **Figure 7.6** provides the solutions. It is a synthesis of the qualitative and quantitative interpretation of the findings and results. The framework has a purpose (goal), structure, identified users and the tasks to be performed by these users.

7.8.1 The structure and Purpose of the Framework

The purpose of the framework is to provide solutions to enhance financial literacy initiatives in Botswana. It is a multi- sectoral approach guiding different users on how to carry out tasks or perform roles relevant to their nature of existence. The framework has a goal to address a need which has prevailed throughout in the text and from the results analysis: *To combat low levels of financial literacy in Botswana*. It guides on the following: How to develop a national strategy, how to establish a measurement and evaluation framework, how to develop a defined industry driven curriculum for financial literacy programme, how to engage businesses to enhance their initiatives for their good and the good of their customers. It outlines who to involve, who to target and why. It also communicates the effective methods and the content suitable for the target groups. Above all it gives the reason why these are important: 1. consumer empowerment, 2. Stability and Sustainability and 3. Business Growth. The framework is presented below in **figure 7.6** containing the solutions offered:

Figure 7-6: The Framework for enhancing financial literacy initiatives in Botswana



7.8.2 Consumer Empowerment

If financial literacy initiatives are implemented for consumer empowerment it will mean that consumers are able to make informed decision and make better choices. Tustin (2010:1096) says it will mean desired behaviour outcome helping them to avoid difficulties in personal financial management. According to Hung, Parker and Yoong (2009:5) financial education assist to avoid pitfall.

7.8.2.1 Problems and Effects relating to Consumer Empowerment

The confidence levels show lack of empowerment from the quantitative analysis. This may mean that the groups are not taught appropriate content which could assist them in decision making or that the methods used were not effective. According to Hung, Parker and Yoong (2009:5) say that such matters to assist consumers or empowering them on financial decision making should not be left for a long period of time without being attended to. It may results in a crisis. Many of the respondents did not understand concept of core signing, loan management and credit usage, and investment. The effect is that they may choose wrong products which lead to more debts- Some were not able to calculate simple interest.

7.8.2.2 Solutions for Consumer Empowerment from the Framework

Financial education is believed to change the perception, behaviour and attitudes of target individuals and groups. Therefore the providers should continue to offer financial literacy initiates. The focus should be on savings investments, budgeting skills, portfolio diversification. The quantitative analysis contributed much on this as the respondent suggested the topics. This answers also the problems of lack of prioritizing content for the consumers. The framework offers the solution: 2. Empower different groups with budgeting skills, portfolio diversification & give information for informed financial decision making. These add to the priority areas identified by the respondents. The following figure illustrate the priority areas: the bigger the letters the more demanded is the topic.

Figure 7-7: Solutions to content – Priority areas



In changing the behaviours it reduce default payments and cancellations. It also empowers consumers on how to avoid scams & fraudulent schemes. This is one of the problems identified (Newel: 2012:2) The Framework also advices on the coaching of small businesses showing them how to attend to customers and on how to use marketing strategies for competitiveness.

7.8.3 Financial Stability and Sustainability

Financial stability is meant for the individual, households and the financial system in the country as a whole. It is important to start with individuals as ignoring this may bring back the repercussions of the 2008 crisis and also issues of systemic risk. In addition financial literacy helps people know and understand ways towards wealth creation- a financial stability which is desired by all if not most. Wealth creation is all part of trying to have financial sustainability as cited by Sebtad, Cohen and Stack (2006:5) and Bell & Lerman (2005:8)

7.8.3.1 Problems and Effects relating to Stability and Sustainability

The respondents showed lack of understanding of concepts and did not use the right people for consultation. This leads to getting wrong information. The effect is the same as above of being indebted and being involved in wrong investment deals.

7.8.3.2 Solutions for Stability and Sustainability from the Framework

According to Hung, Parker and Yoong (2009:5) being able to make decisions on investments has been identified as one of the good indicators outcome of financial capability. Lack of information seems to be prevalent among young people: P9 *“These are the groups (including young people) which often lack information on money usage, on investment, and don’t know how rich people created wealth.”* And therefore it is recommended to: **P1:** *“Teach young people personal financial planning at an early age to learn to how budget and have financial stability.* The framework offers the solutions: 1. Teach concepts like basic accounting, savings, investment, basic banking, and taxation as knowledge to use for every day income and debt management 2. Target different groups & empower them on how to utilise well their income now and for future.

7.8.4 Business Growth

Most of the business offer financial literacy for marketing and sales growth under marketing functions of their business or under their Corporate Social Responsibility initiatives. These are often done with less spending using the model: Minimal Cost for great benefits.

7.8.4.1 Problems & Effects relating to Business Growth

There may be issues of conflicting interest (Sparkassenstiftung für Internationale Kooperation 2007:23) which may disadvantage clients. The other problems identified are that of lack of funding and sponsorship for financial literacy

initiatives: the effect being financial literacy is not ranked as first priority in funding, so the exercise could stop or not be given attention.

7.8.4.2 Solutions for Business Growth from the Framework

All relevant stakeholders are encouraged to continue to offer financial education as way of giving back to the society and being part of the community: a means to becoming a citizen. The government should regulate the initiatives for consumer protection so that the Corporate Social Responsibility initiatives truly benefit both the consumer and the businesses. There is need for customer oriented initiatives which will also assist in the growth of the business as this is also desired. The framework advises to provide financial education as a means to marketing, clientele growth, branding, sales and increase in revenue and most importantly customer satisfaction: The framework offers the business to make a balanced trade off: the use financial education to understand the needs of customers for customer satisfaction. This will consequently improve service delivery as customers who know their rights point out gaps where delivery should be improved. (Frączek B and Klimontowicz 2015: 63, Miller and et al 2009:8, Worthington 2006:1 and Rutledge and et al 2010:3). As for funding and sponsorship, the framework offers advice to: utilise a Resource Sharing Model for low cost to obtain great benefits.

7.8.5 Inclusive Financial Education

Financial literacy should reach out to all. This has been suggested from the qualitative analysis. Though there are no particular groups excluded, it is still advised to ensure suitable selection of groups for particular content and methods of delivery. In the quantitative analysis the youth show low levels of financial literacy, which means they should be a priority group.

7.8.5.1 Problems and Effects relating to Inclusive Financial Education

There is financial inclusion but many still do not understand the concepts. There is need for consumers to understand basic concepts to deal with their personal financial planning. A lack with this will make them vulnerable to consuming poor products and services.

7.8.5.2 Solutions for Inclusive Financial Education from the Framework

Youth must be given priority so as to start the habit of financial planning from grassroots level. Johnson and Sherraden 2006:3), Cohen and Nelson (2011:11) highlight that this is important for empowering them with life-long learning skills. The use of appropriate methods should be emphasised. Reaching out to all by professionals and trainers will ensure that people get information from the right sources. Providers should reach out to different types of groups through both interactive & conventional methods of delivery. The respondents have offered to be reached mostly by social media as it is suitable and effective. This is seconded by the use of workshops and seminars. Implementing these will ensure desired impact and help improve financial literacy initiatives.

7.8.6 Measurement and Evaluation

Measurement and evaluation is important to financial literacy initiatives. The most important reason being to get feedback. It can also help the providers and policy makers identify groups at risk (Atkinson and Messy 2011:2) – in this study it has been identified that youth is the group at risk. In this framework different types of measurement and evaluation are important for their various reasons and purpose:

1. Impact analysis is important to determine trends (Atkinson and Messy (2011:2)
2. Summative (post) evaluation is important for outcome analysis
3. Formative (during) evaluation provides instant feedback
4. Formative (throughout) evaluation is necessary for monitoring progress

According to Lusardi and Mitchell (2013:44), Xu and Zia (2012:24) Gale and Levine (2010:2) it is imperative to conduct measurement in developing countries as it has become a first order concern for policy makers to increase the levels of financial literacy in the area.

7.8.6.1 Problems and Effects relating to Measurement and Evaluation

One of the problems identified in this study is that there is lack of all types Measurement and Evaluation- absence of measurement and evaluation provide gaps in giving feedback and lack of impact analysis is an impediment to determining trends. There is also no evidence to check progress or to validate the achievement of the initiatives.

7.8.6.2 Solutions for Measurement and Evaluation from the Framework

The framework offers the following solutions for Measurement and Evaluation: that it should be utilised to get feedback, to determine suitability and effectiveness of methods and content, and to develop and tools for measurement of impact of financial education. The framework also advises different stakeholders on what to do to contribute to measurement and evaluation.

7.8.6.2.1 Measurement and Evaluation for Feedback

All the relevant players are asked to employ all types of measurement and evaluation to give valuable feedback. Feedback can be on whether the programme objectives have been achieved or not. According to Organisation for Economic Cooperation and Development (OECD 2006:5) it is needed to validate achievement of the objectives of any financial education programme. It will also provide information on issues like saving rate, spending rate and the trends on investment opportunities.

7.8.6.2.2 Measurement and Evaluation to Determine Suitability and Effectiveness

Measurement and evaluation must be conducted to determine suitability of methods and content to the target audiences. This study has revealed that some methods like presentation and classroom instruction are not suitable for young people. It is also important determine the methods which are effective for the different groups. In this study it has been determined that interactive methods are trending and quite effective.

7.8.6.2.3 Measurement & Evaluation to develop tools

Measurement & Evaluation researches must be conducted to design and develop financial literacy measures (Huston 2010:296-297). This will over time assist with drawing towards standardisation of measures of financial literacy. The more researches are carried the more the tools are refined for validity and quality results to inform policy makes. It is therefore encouraged and recommended in this study for every financial literacy education programme to be accompanied with how it is measured and evaluated.

7.8.6.2.4 Role of Bankers in Measurement and Evaluation

Different stakeholders led by government are encouraged to engage in measurement and evaluation of initiatives to make improvements. Banks being the main providers of financial education must conduct measurement and evaluation of the initiatives. This is because the banking sector has been identified as the major player offering more initiatives than others. They also play a critical role in making customers understand financial products and services.

7.8.6.2.5 Role of Researchers in Measurement and Evaluation

There is limited research on financial literacy in Botswana yet there are programmes which could be evaluated. Researchers are urged to participate so that policy makers may use quality information to make decisions. The government in particular should keep track of the levels of debts or saving rate among households as these contribute to the whole economy and the financial system.

7.8.6.2.6 Role of Government in Measurement and Evaluation

To enhance measurement and evaluation in the country – the government already has protocol for researchers but financial literacy needs funding and research is expensive. The government may provide opportunities and sponsorships for studies to be conducted under the field.

7.8.6.2.7 Role of Media practitioners in Measurement and Evaluation

The role of media is not underestimated because most of the interactive methods involve media. Campaigns, advertisements, shows and programmes need the media practitioners who have grasped the importance of good publicity and advertisement for financial education.

7.8.6.2.8 Role of Trainers in Measurement and Evaluation

Trainers must be trained on assessment, evaluation and measurement of the initiatives. They should be able to make changes in the content and the approaches and the target audience informed by research. Their role is to conduct impact analysis to determine the effectiveness of their delivery.

7.8.6.2.9 Role of Clients in Measurement and Evaluation

The recipients of the content of financial literacy initiatives are crucial in measurement. Their role is not just to be measured but they may also point out challenges to the programmes from the perspective of the learner; as they can comment on the content, suggest their own mode of learning, and decide on when best to learn. This study has results indicating the major topics which the clients desire and also their preferred mode of learning.

7.8.7 National Coordination

The framework appeals for a national coordination of the initiatives. This is to place financial literacy at the strategic apex, to advice on policy, to ensure issues of regulation and control. There are several initiatives from around the world Zambia (Munro and Manje 2013:1), South Africa (OECD 2013:23) and Department of National Treasury Republic of South Africa 2013:1) Canada (National Strategy for Financial Literacy – Count me in, Canada 2015:5) Japan (Furusawa: 2014:1, and OECD 2013:23) and the United States of America (National Strategy for Financial Literacy 2011:1) which may highlight the critical factors for a national strategy. The framework simply recommends: A Government Led National Strategy.

7.8.7.1 Problems and Effects relating to National Coordination

The question is: Who is the Champion? In most countries the Ministry of Education or Finance or both are the champions of the financial literacy national strategy. The respondents and the interviewees have recommended the Ministry of Education **P3**: *“The Ministry of Education must be the champion of curriculum development”* **P18**: *“The Ministry must be the champion in the design and development of the curriculum”* A lack of coordination has resulted in dispersed initiatives without attending to the needs of the industry, the country and the consumers. The initiatives are also not binding to conduct or to sponsor because there is no policy or legislation enforcing such.

7.8.7.2 Solutions for National Coordination in the Framework

The government is requested to regulate & control non-bank financial sectors like Pawn shops & "Motshelo" to avoid high interest rates. This will deal with the vulnerability of consumers from being charged high interest rates. A defined industry needs driven curriculum is advised by both the qualitative data and the quantitative research results. The Ministry of Education is proposed to champion an industry needs driven curriculum i.e. being in collaboration with all stakeholders. Government should lead financial institutions, consumers, consultants, NGOs, Affinity groups, businesses on a national strategy for financial literacy initiatives. The framework has also provided the strategies and tactics for implementation which are: to do mass outreach, ensure proper scheduling, funding, provide a code of conduct for financial education providers in order to increase the level of financial literacy in Botswana.

7.9 Users of the Framework and their Roles

The framework inherently makes an allowance for different stakeholders to be involved in providing financial education in Botswana. The following users and their tasks have been identified: researchers, students, financial education providers, mass media practitioners, customers: the public and clients, government and policy makers, Trainers, accrediting bodies, financial Industry experts and practitioners

7.9.1 Researchers

Conduct measurement and evaluation based research and develop a frameworks and models for better implementation. They should develop measurement tools to assist in standardisation of measures of financial literacy.

7.9.2 Students

They should know the type of curriculum they learn how and who has to provide it. In measurement and evaluation they should be given an opportunity to comment on the content and delivery methods.

7.9.3 Financial Education Providers

They will know how to implement their marketing strategies and Corporate Social Responsibility initiatives. They will know the most effective methods to use now or in future. Their role is to provide effective and quality financial literacy programme. They should try to understand their target groups to make best selections for suitable and effective contents and methods.

7.9.4 Mass Media Practitioners

They have been advised on what to publish and why they have to play a role. Some of the financial literacy campaigns and programmes intrinsically need the media, like public open shows, public campaigns, radio and television shows.

7.9.5 Customers: members of the public and clients

They will know the reasons for the implementation of financial literacy programmes and possibly know the type of curriculum they have to learn, or the methods suitable for their learning. They should know what should be the core content of the programmes brought to them. Their role is to advise on how best they may be taught, or how best they may be served by the financial institutions.

7.9.6 Government & Policy Makers

They will know areas of where to enforce regulation, develop a policy or strategy for implementation. They will also know who to involve if they may engage on a

national strategy. Their role is to lead a national strategy and ensure participation of all stakeholders as well as ensure national coordination of financial literacy initiatives.

7.9.7 Financial Industry Experts and Practitioners

The industry has a role to feed the curriculum developers on what should be learnt as demanded by the market. Experts are valuable to give the latest trends and to provide relevant information about the subject of financial literacy.

7.9.8 Trainers

Their main role is to train and they will know the effective methods to use. They may also advise on the methods to use in future. Their role has also been outlined in measurement and evaluation: to assess, to evaluate and also play a critical part in research.

7.9.9 Accrediting Bodies

Their role is to set the standards for the programmes on financial literacy and ensure that financial educational providers implement quality assured programmes. They can also be engaged at the curriculum design and development stage of the programme before it is implemented: the idea will be to ensure that it satisfies both the needs of the industry and that of the country.

7.10 Contribution to research and further opportunities

The framework has been developed from the results analysis and has become part of theory to consult. It has contributed to body of knowledge. It can be used by the different plays identified above but it particularly contributes to the research bank on a subject area of financial literacy where studies are deemed to be minimal in Botswana. In the area of measurement and evaluation the questionnaire and the interview guide are available for scrutiny by researchers for further development. The study has therefore contributed to measures and tools in evaluation of financial literacy initiatives. Theoretically the literature in the study with the analysis of the concepts, models and the synthesis on the theories of goal setting and motivation provide a source of knowledge. The study has a

stance that financial education contributes to behavioural change: knowledge, skills and attitudes. This provokes more studies especially for impact analysis. Meanings and interpretations made from the results are a contribution and insight which may be embraced, critique or further developed. The quantitative results have assisted to generalise that financial literacy in Botswana is low even though there is substantial percentage of financial inclusion. This provokes further research in the different areas of the subject of financial literacy. The questionnaire also utilised is a contribution to measures and tools of impact analysis. It can also be further developed and utilised by other researchers.

In qualitative results, it is to be noted that one of the disadvantages of thematic analysis and structured interviews is the inability to use the information for generalisation of the result. Hancock Ockleford Windridge (2009:7) state that: "one common criticism levelled at qualitative research has been that the results of a study may not be generalisable to a larger population because the sample group was small and the participants were not chosen randomly." Besides this its other criticisms is its limited inductive process: Chapman, Hadfield and Chapman (2015:204) write "A key criticism is that truly inductive analysis is not possible and is always limited by the unconscious application of prior knowledge to the thematic analysis process" However, thematic analysis termed a robust because of the process of reduction involved (Ibrahim 2012:42); still have its results valuable to create relationships- networks (Braun and Clarke, 2006:19) which produce such conceptualised frameworks as this one. There is the interrelation of the different themes which converge into how financial literacy initiatives may be enhanced in Botswana.

The framework itself has the role of researchers guided on how to conduct research: their role is clarified in theme four on measurement and evaluation they have been charged with the responsibility to develop tools for measuring and evaluating financial literacy initiatives. Over and above these governments often engage researchers as consultants in developing national strategies: the framework guides on how the national strategy could be developed.

7.11 Implications for Further research

The following implications have been deducted as points for further research: Conduct measurement and evaluation, benchmarking and comparative analysis studies: research on methods of delivery, questionnaire and interview guide.

7.11.1 Conduct Measurement & Evaluation

Researchers are encouraged to conduct research on specific groups for their specific impact analysis. This is because programmes also have specific objectives tailored for particular purposes. It will be of interest to narrow the research for instance to analysing the impact of financial education on groups like youth and children.

7.11.2 Benchmarking and comparative analysis

Botswana should use ideas from mature strategies and get ideas on drawing a national strategy on financial literacy. This can come through research so that the results of a comparative analysis are an outcome of a systematic approach.

7.11.3 Research on methods of delivery

Researches may also be on methods, testing their efficiency and suitability to the target audience. This is also part of measurement and evaluation

7.11.4 Questionnaire and Interview Guide:

These can be further developed for measurement of impact of financial literacy initiatives. The instruments were used for this study but they are open for scrutiny and further development.

7.12 Recommendations to Enhance Financial Literacy Initiatives

The following recommendations have been made under the headings: inclusive financial education, priority areas, financial counselling, measurement and evaluation, national coordinated strategy, funding and sponsorship for financial literacy and industry driven curriculum.

7.12.1 Inclusive Financial Education

The financial literacy initiatives must reach out to all to have inclusive financial education. This will not only empower individuals but will also contribute to financial inclusion. The financial services need the inclusion of a large number of people for stability. Particular focus and priority must be given to young people as they indicated low levels of performance on financial literacy questions.

7.12.2 Priority areas

The priority areas identified are: Investment, Budgeting, Loan Management, and Portfolio Management. Budgeting has been identified as the most central theme to deal with other priority areas like income and debt management. These priority areas identified are the content to be taught target audience of financial education. This content is recommended to be part of the school curriculum as core or optional subject in schools. The methods recommended are that of interactive methods like social media, workshops and seminars.

7.12.3 Financial Counselling

At a strategic management level the government is requested to provide financial counselling services. This needs policy decision making on how to conduct it, who should conduct it, where to conduct it and how to fund it. Financial counselling is done in countries like South Africa and Batswana may also benefit from this as it gives face to face interaction to directly deal with one's personal finance.

7.12.4 Measurement & Evaluation

Another issue that needs strategic intent is the issue of measurement and evaluation as the government is recommended to encourage research and development of measurement tools. The research will advise on the suitability and effective methods to utilise during delivery. It will also assist in identifying groups at risks or those who need financial education most. Furthermore research will advise on trends in the discipline and provide improvements to make for effective financial education.

7.12.5 National Coordinated Strategy

National coordination will ensure regulation and control of the financial literacy initiatives. Botswana may bench mark with other countries as a start to know get ideas on implantation. The coordination will ensure standards, code of conduct and guard the interest of the consumers. In addition for policy and strategic consideration are to have a multi – sectoral approach in order to involve everyone and have a pool of ideas.

7.12.6 Funding for Financial Literacy

The government must ensure funding of the national strategy and funds must be availed to carry out robust activities of a national financial Literacy Programme. The responsibility of sponsorship should not weigh only on the private sector but should be shared by all stakeholders.

7.12.7 An Industry Driven Curriculum

It is recommended programme make financial education a core part of the curriculum. Have all stakeholder involvement The Botswana Qualification Authority (BQA) enforces through their BQA Quality Assurance Standard (2017:7) that all programmes offered in the country should be driven by the needs assessment from the industry or be informed by the Human Resource Development Sector Plans. This is outlined in their standards in criterion 6 for conventional educational providers, for workplace intervention or initiatives provided by consultancies. Therefore whatever nature of financial education provider it is advised to not only accredit the programme but to also ensure it is industry driven or demanded. As part and parcel of the curriculum the results indicate the most approved methods of delivery to be interactive methods as social media and workshops.

7.13 Limitations to the Study

The objectives of the study as reflected in chapter four and five have been achieved, with the research questions answered. However there are some limitations identified which could be posed challenges during the course of the

study. Identifying representatives to be interviewed from the institutions was not easy and the interview could be postponed several times because the organisation had not sanctioned anyone to be interviewed. Some organisations declined to be interviewed citing apprehension to divulge information about the company. Some cited reasons that they were disappointed by unethical conduct of previous researchers and therefore not willing to accept the interviews. There was constant re –scheduling of meetings.

During data analysis it was experienced that Thematic Analysis is time consuming and needed a lot of scrutiny of the codes. The coding process demanded a back and forth of inductive and deductive reasoning before the theme could be clear. On another point, although the interview guide was structured and the guide was piloted for reliability and validity, the themes resulted from interview data was largely based on the subjective perception of the participants and therefore have less generalisability. This also being a characteristic expected in the use of qualitative methods.

One other major limitation to this study was going to institutions to get respondents for the questionnaire, there were a lot of rejections from some of the institutions where the respondents were who could have contributed to the study. Despite all the necessary protocol followed, the rejection was mainly on past experiences with researchers who did not honour their promised ethical conduct. Some rejection was based on that the institutions would not like their employees answer so personal questions on how they use their income. Lastly it was also a limitation to do the study and discover limited research studies on Botswana financial literacy literature. This may mean that scholars have not yet developed interest in this field or it could mean that the government, other relevant institutions have also not shown enough interest in it to encourage research.

7.14 Chapter Summary

The purpose of this chapter was to discuss results from the preceding chapters to make conclusions and interpretations. From these results problems and challenges in offering financial literacy were identified. The solutions to these problems are presented in this chapter in a form of a framework: the purpose

being to assist different users to combat low levels of financial literacy in Botswana. The Government is encouraged to find a champion (Ministry of Education and or the Ministry of Finance and Economic Development) and lead a national coordinated strategy. The roles of the different users were clarified and they are guided on how they may contribute to promoting financial literacy in the country. Recommendations from the study are made in this chapter and points for further research have been identified.

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APPENDIX 1 INTERVIEW GUIDE

A FRAMEWORK FOR ENHANCING FINANCIAL LITERACY INITIATIVES IN BOTSWANA



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INTERVIEW QUESTIONS FOR ACADEMIC RESEARCH

Submitted in partial fulfilment of the requirements for the degree of Doctor of
Philosophy in Business Management at the Mafikeng Campus of the North West
University

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SECTION 1: INFORMATION ON THE INSTITUTION

Name of Institution: _____
Type of Business: _____
Representative: _____
Designation: _____
Contact Details: _____

SECTION 2: INFORMATION ON PROGRAMME

1. What is the name of the Programme?

2. Under which department/or function is the programme placed?

3. What is the purpose of the programme?

4. What is the duration of the programme?

SECTION 3: THE TARGET GROUP

1. Who are the target group of the programme?

2. What are the particular characteristics of this group? (age, gender, type of employment, earning power)

3. Why did the institution choose the target the said group?

SECTION 4: THE CONTENT OF THE PROGRAMME

1. What is the content of the programme?

a) Knowledge: What were the expected aspects to learn from the programme?

b) Skills: What were the expected skills to master from the programme?

c) Attitudes: What change did you expect from the group?

2. Why did you choose the particular content?

3. Which content do you think should not have been included and why?

4. Which content do you think should have been included and why?

5. What change has the group shown in behaviour after receiving the content?

SECTION 5: THE METHODS OF DELIVERY

1. What were the delivery methods utilised for the programmes?

2. Which of the methods were effective?

3. Which of the methods were not effective?

4. Are there any other delivery methods that could have been used?

SECTION 6: EVALUATION FRAMEWORK

1. Is there any framework used by the institution to evaluate the programme and what is the name of the framework?

2. What type of evaluations has the institution carried out on the programme, formative or summative?

3. What are the findings and the recommendations from the evaluation?

4. How have these findings and recommendations been used to improve the programme?

SECTION 7: THE BENEFITS VS COSTS TO THE INSTITUTION

1. What are the benefits accrued from implementing the programme?

2. Are there any losses that could have been avoided and how?

3. In terms of cost vs benefits is the programme worth continuing?

SECTIONS 8: THE CHALLENGES AND SOLUTIONS

1. What are the challenges and that have been experienced in terms of the following

a) Choice of group

b) Choice of Content:

c) Choice of delivery

d) Implementation

e) Evaluation

2. What could be future solutions to the above challenges?

SECTION 9: OVERALL OPINION

1. What is your overall opinion of financial education efforts made by your institution?

2. What is your suggestion on evaluation framework for financial literacy in Botswana?

3. What is your overall opinion of financial literacy in Botswana?

4. What do you think should be done to make improvements?

a) Legislation/Policy

b) Curriculum (content)

c) Stakeholder Involvement (who do you think should be involved)

Thank you for your cooperation and your time.

APPENDIX 2 QUESTIONNAIRE

A FRAMEWORK FOR ENHANCING FINANCIAL LITERACY INITIATIVES IN BOTSWANA

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SECTION 1: PERSONAL FINANCE INFORMATION

(Tick as appropriate in the box)

1. Gender				1. Male		2. Female			
2. Age	1. Below 18	2. 18 to 25	3. 26 to 35	4. 36 to 45	5. 46 to 65	6. Above 65			
3. Highest Level of Education									
1. Primary	2. Junior School		3. Senior School	4. Under Graduate		5. Graduate	6. Post Graduate		
4. Stage in family life cycle									
1. Child	2. Young single & Schooling	3. Young single but working	4. Young married without children	5. Young married with children	6. Middle age married with children	7. Middle age married without dependents	8. Older Married	9. Older Unmarried	10. Any other <i>(Specify)</i>
5. Employment Structure									
1. Full Time Salaried	2. Part Time salaried	3. Casual/ Temporary	4. House wife	5. Retired	6. Unemployed	7. Student	8. Intern	9. Business/ Self Employed	10. Any other <i>(specify)</i>
6. Type of Monthly Income									
1. Allowance from parents		2. Allowance from school			3. Tips	4. Wages	5. Salary	6. Others specify	
7. Monthly Income Before Tax									
1. Below P5 000		2. P5 001 to P10 000		3. P10 001 to P 15 000		4. P15 001 to P20 000		5. P20 001 and above	
8. Monthly Expenditure to Monthly Income (in %)									
1. 1- 10	2. 1 -20	3. 21-30	4. 31- 40	5. 41 - 50	6. 51 - 60	7. 61 - 70	8. 71 - 80	9. 81-90	10. Above 90%
9. Monthly Savings to Monthly Income (in %)									

1. 1-10	2. 11 - 20	3. 21-30	4. 31- 40	5. 41- 50	6. 51 - 60	7. 61 - 70	8. 71 - 80	9. 81-90	10. Above 90%
10. Monthly Future Investment to Monthly Income (in %)									
1. 1-10	2. 11 - 20	3. 21-30	4. 31- 40	5. 41- 50	6. 51 - 60	7. 61 - 70	8. 71 - 80	9. 81-90	10. Above 90%
11.Type of Accounts I have									
1. Savings Account	2.Cheque/ Current Account	3. Car Loan Account	4. Student Loan Account	5. Personal Loan	6. House Mortgage	7. Credit Card account	8. Money Market Account		
12.Investment Alternatives									
1. Post Office Savings	2. Mutual Funds	3. Debentures & Bonds	4. Insurance & Pension Plans	5. Bank Deposits	6. Shares	7. Real Estates			
13.Financial portfolio record									
1. Will (Testament)	2. Written Budget	3. Record of insurance policies	4. Financial record of accounts held	5. Asset Inventory					

SECTION 2: Type of Investor
(Tick as appropriate in the box)

1. What is your major investment objective?				
1. High Return	2. Moderate Return	3. Liquidity	4. Low Risk Return	5. Safety
2. How have you allocated your Funds? (In %)				
1. Shares 100 Mutual Fund 0 Real Estate Debt up to 0 Fixed Deposit 0	2. Shares 70 Mutual Funds 10-20 Real Estate 5-10 Debt up to 5 Fixed Deposit 2	3. Shares 50 Mutual Funds 15-25 Real Estate 10-15 Debt up to 10 Fixed Deposit 5	4. Shares 30 Mutual Funds 20-25 Real Estate 10-20 Debt up to 20 Fixed Deposit 10	5. Shares 10 Mutual Funds 20-30 Real Estate 10-20 Debt up to 25 Fixed Deposit 20
3. What is your investment horizon?				
1. 3 to 6 months	2. Over 6 months to 1 year	3. Over 1 year to 3 years	4. Over 3 years to 5 years	5. Over 5 Years
4. What are your expectations of return on investment?(in %)				
1. 5% to 10%	2. Over 10% - 20%	3. Over 20% - 40%	4. Over 40 % - 50	5. Over 50% - 100%
5. What type of Investor are you?				
1. High risk taker	2. Opportunistic risk taker	3. Moderate risk taker	4. Low risk taker	5. I don't like taking risk

SECTION 3: Financial Literacy (Self-Assessment)

(Tick as appropriate rating yourself)

1. How much do I know about the following? <i>(Rate from 1-3)</i>			
<i>(Rate from: 1. Not Knowledgeable, 2. Fairly Knowledgeable 3. Quite Knowledgeable)</i>			
	1	2	3.
1. Savings			
2. Basic Accounting			
3. Budgeting			
4. Portfolio Management			
5. Investments			
6. Income & Debt Management			
7. Banking & Bank Accounts			
8. Taxation			
2. How may I describe my saving behaviour compared to my spending habits?			
1. Very spending-oriented, hardly ever saving money	1		
2. Somewhat spending oriented, seldom saving money	2		
3. Neither careful nor spending oriented	3		
4. Somewhat careful, often saving money	4		
5. Very careful, saving money whenever I can	5		
3. How well do I maintain my financial records?			
1. Maintain no records at all	1		
2. Maintain minimal records	2		
3. Maintain adequate records	3		
4. Maintain very detailed records	4		
5. Maintain excellent records	5		
4. What are my reasons for the use of a debit card?			
1. No reason because I don't have a Debit Card		1	
2. Drawing cash from an ATM or swiping every time I feel like buying something		2	
3. Drawing cash from an ATM or swiping every time something crops up		3	

4. Drawing cash from an ATM and for buying things that are necessary but some not				4	
5. Drawing or swiping to buy things which are only on my budget				5	
5. How do I usually pay my credit card bills?					
1. I do not have a credit card				1	
2. I pay when I receive a warning				2	
3. I pay sometimes but before I receive a warning				3	
4. I pay the minimum regularly				4	
5. I pay between the minimum and full amount regularly				5	
6. Which circumstance is financially beneficial to borrow money?					
1. When the interest on the loan is greater than the interest I get on my savings				1	
2. When some clothes I like go on sale				2	
3. When I really need a two-weeks holiday				3	
4. When I need to study for a course to get a much better paying job later				4	
5. When I need to improve an asset that will bring me immediate passive income				5	
7. How often do I do the following?	1. Never	2. Sometimes	3. Always		
1. Return a financial product not suitable for my needs					
2. Return a dysfunctional product to the supplier/seller					
3. If I receive poor service I complaint to management					
8. How often do I consult them on financial issues?	1. Never	2. Sometimes	3. Always		
1. Consult family and friends on budgeting					
2. Consult the bank on issues such as savings and borrowing					
3. Consult Professional Broker on investments					
4. Consult Professional on taxes, tax return and tax planning					
5. Consult books, magazines and newspapers for reading					
9. How important to me is the financial behaviour?					
<i>(Rate the importance from: 1 Undecided, 2. Not Important 3. Important, .Very Important, 5. Highly important)</i>	1	2	3	4	5
1. Tracking my spending					
2. Paying bills on time					
3. Reading bank account statements regularly					

4. Paying more than the minimum in my credit card					
5. Preparing a will/ testament					
6. Contributing to a retirement fund					
7. Comparison shopping for a personal loan					
8. Keeping an emergency fund to cover for 3 months living expense					
9. Shopping around for the best prices					
10. Following a monthly budget					
11. Adjusting my tax return every year					
12. Checking the suitability of assets in my portfolio					
13. Mixing(diversifying) my investments					
10. How much have I improved on my attitudes towards money?					
<i>(Rate improvement from 1 Not Improved, Improved 3 Highly Improved)</i>	1	2	3		
1. Discipline in use of money					
2. Confidence in financial decision making					
3. Careful in making financial choices					
4. Consistency in saving for a purpose					
5. Stability and effective debt management					
6. Living within my means					
7. Consistency in planning and budgeting					
11. What is the truth of my financial abilities?					
<i>Rate from 1 (not so true) to 5 Very true of me</i>	1	2	3	4	5
1. I am able to calculate interest on my savings					
2. I am able to read my monthly statement					
3. I am able to compare receipts of purchases to my monthly statement					
4. I am able read over and understand house leases before I sign them					
5. I am able to read over and understand loan agreements before I sign					
6. I am able to read about shares and follow stock market performance					
12. What is the truth about my financial behaviour?					
<i>(Rate from 1 - not so true) to 5 Very true of me)</i>	1	2	3	4	5

1. I have my parents/friends/ core workers 'bail me out' of debts					
2. I work extra hours to meet bills and expenses					
3. I miss important events to work extra hours to meet bills and expenses					
4. I contribute to a savings account regularly					
5. I find legal ways to lower my taxes					
6. I comply with tax regularly					
7. I read to increase my financial knowledge					
8. I use overdraft for my payments every month					
9. I hide from creditors every month					
10. Contribute to investment fund					
13. What is my overall ability to manage personal finances? (Tick to rate overall ability)					
1. Not sure at all-I wish I knew a lot more about money management					1
2. Not too sure-I wish I knew more about money management					2
3. Somewhat sure-I understand most of what I will need to know					3
4. Very sure -I understand money management very well					4

SECTION 4 Financial Literacy Performance Test
(Tick the appropriate answer)

1	2	3	4
1. What is the importance of the Process of Financial Accounting?			
1. Take a Holiday	2. Assist in Decision Making	3. Invest in Start-up of a business	4. Track Money Spent
2. Assets = Liabilities + -----			
1. Revenue	2. Shares	3. Owners' Equity (capital)	4. Utilities
3. Which of the following are Assets?			
1. Cash Owings and cash at bank	2. Land and fixtures	3. Loans and creditors	4. Mortgage loans and debtors
4. Which of the following are Liabilities?			
1. Cash at bank	2. Land and fixtures	3. Loans and creditors	4. Mortgage loans and debtors
5. What happens to my account when money is deposited?			
1. Credited		2. Debited	
6. What happens to my account when money is withdrawn?			
1. Credited		2. Debited	
7. What is the financial statement for revenues and expenses for a period?			
1. Income Statement	2. Balance Sheet	3. Cash Flow Statement	4. Statement of Shareholders Equity
8. What is the MOST important factor considered in approval of a loan?			
1. Marital status and number of children	2. Education and occupation	3. Age and Gender	4. Bill payment record and income
9. Which is the SAFEST place to keep but easy to ACCESS money after a year?			
1. A bank savings account	2. Government Bonds	3. Shares	4. Locked in closet at home

10. Which of these accounts will usually pay the MOST interest?			
1. Certificate of Deposit (CD)	2. Savings Account	3. Cheque Account	4. Money Market Account
11. Which of these will be of LEAST benefit to keep money for emergencies?			
1. Savings Account	2. Invested in a down payment on a house	3. Shares	4. Cheque Account
12. Which one of these will NOT typically be associated with spending?			
Credit Card	Cash	32 day Call	Debit Card
13. What is the Income paid by a company to an individual who has retired?			
1. Dividends	2. Pension	4. Social Security	4. Premium
14. What is income paid by a public company to an Investor?			
1. Dividends	2. Pension	3. Social Security	4. Premium
15. Which one of these, show a risky combination of investments?			
Mutual fund: 80% stocks and 20% bonds	A mutual fund: 80% bonds and 20% stocks	An Index fund(like the S&P 500)	Stock in a single company
16. VAT stands for:			
17. IPO stands for:			
1. Initial Public Office	2. Initial Public Offering	3. Investment Public Offering	4. Investment Public Office
18. What is total amount after adding simple interest? Amount in savings account = P100 <i>Interest rate = P2% Period of saving = 5 years</i>			
1. More than P 102	2. Less than P 102	3. Exactly P 102	4. None of the above
19 What is total amount under compounding and re-investment : Amount in savings account = P100 <i>Interest rate = P20% per year Period of saving = 20 years</i>			

1. More than P 200	2. Exactly P 200	3. Less than P 200	4. None of the above
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True/False questions (*Tick weather the statement given is True or False*)

20	What is the use of a budget?	True	False
	1. Figure out how much money I have available to spend		
	2. Find out if I like school/my job		
	3. Decide what I want to do with my money		
	4. Save money for college		
	5. Save money for a house		
	6. Learn to get good grades		
	7. Help me stay out of financial problems		
	8. Earn compliments at work		
21	What does Co-signing a loan with a friend mean?	True	False
	1. Have right to receive part of the loan		
	2. Confirms my friend's reliability to be able to pay the loan		
	3. I am responsible for repaying the loan if my friend does not pay		
	4. I am in a better position to get a personal loan		
22	What is true or false about the use of a credit card?	True	False
	1. It functions the same way as a debit card		
	2. I Pay back only the money spent if I use it		
	3. I Pay back both the money spent and interest if I use it		
	4. It is used by rich people only		
	5. Service providers earn interest if I use it		
	6. It earns me interest every time I use it		

SECTION 5 Opinion on Financial Literacy

(Tick the appropriate answer)

1. What is the level of your interest to want to increase your financial knowledge?						
<i>(Tick to rate interest)</i>						
1. Very Uninterested	1					
2. Somewhat uninterested	2					
3. Not Sure	3					
4. Somewhat interested	4					
5. Very Interested	5					
2a. Would you do a personal financial course in future?						
1. Yes			2. No			
2b. What is your reason for answer in question 2a?						
3. Which topics are of interest to you? At least two topics						
Topic 1				Topic 2		
4. What was the most effective method for you?						
<i>(Rate from 1. Not effective 2. Less Effective 3. Averagely Effective 4. Very effective 5. Quite Effective)</i>						
	1	2	3	4	5	
1. Social interactive media						
2. Television Show/programme						
3. Radio Show/programme						
4. Presentations						
5. Workshops and seminars						
6. Classroom Lessons						
7. Print Media/Self reading						
8. Road shows & public campaigns						
9. Financial Counselling						
10. Edutainment (Competitions, songs, drama and plays)						

5. What is the most suitable method for future?					
<i>(Rate from 1. Not suitable 2 Somewhat suitable 3 Averagely Suitable 4. Very suitable 5. Most Suitable</i>					
	1	2	3	4	5
1. Social interactive media					
2. Television Show/programme					
3. Radio Show/programme					
4. Presentations					
5. Workshops and seminars					
6. Classroom Lessons					
7. Print Media/Self reading					
8. Road shows					
9. Financial Counselling					
10. Edutainment (Competitions, songs, drama and plays)					
5b What is the reason for the highly rated method?					
<i>Tick to suit your answer in question 4</i>					
1. Trendy and fashionable	1				
2. Effective	2				
3. Helps give feedback	3				
4. Suitable for everyone	4				
5. Suitable for young people	5				
6. Can reach a lot of people	6				
6. What is your opinion of the level of Financial Literacy in Botswana?					
<i>Tick the most suitable level</i>					
1. Low	1				
2. Moderate	2				
3. High	3				
7. What would you like the government do to enhance financial literacy in Botswana?					

Thank You
