

Research Paper

Financial Literacy and Access to Finance: The Case of Lagos State SME Owner's Age and Gender

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ABSTRACT

Purpose: Small and Medium Enterprises (SMEs) remain an important aspect of the economic growth and development of a nation. Understanding how SMEs in developing and emerging economies can access financial resources is crucial for their survival and economic development. This study, therefore, examines the influence of financial literacy on access to finance and the moderating role of gender and age employing the Upper-Echelons Theory.

Methodology: A cross-sectional research design was employed with a sample of 286 owners of Small and Medium Enterprises (SMEs) in Lagos State. SPSS AMOS 26 was employed to validate the data and test the first hypothesis. While Hayes Process Macro was employed to test the second and third hypotheses of the Study.

Results: The finding revealed that financial literacy had a significant influence on access to finance for SME owners. The finding further revealed that age moderated the relationship between financial literacy and access to finance. While Gender also moderated the relationship between financial literacy and access to finance.

Practical implications: SME owners need to understand how gender and age influence their level of financial literacy and access to financial resources. This will enable SME owners to recognize how to drive profit and access to financial resources needed in their business. This study provides empirical evidence that has the potential to contribute to policy debates on how governments, academics, and policymakers can design and implement supportive financial educational programs for SME owners in developing countries.

Originality: The study draws on the upper-echelons theory to further establish the relationship between financial literacy and access to finance among SME owners. Also,

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how gender and age moderate the relationship between financial literacy and access to finance of SME owners in a developing country. This study deepens our understanding of the role played by gender and age in the SME literature.

Keywords: *Financial Literacy, Access to Finance, Gender, Age, Nigeria, SME owners*

1. Introduction

A myriad of scholarly studies has considered accessibility to finance as one of the key factors constraining the growth and survival of all shapes and sizes of business ventures more especially small-scale businesses (Addo & Asante, 2023; Mohammed & Bunyamium, 2021; Tuffour et al., 2022). Access to finance is the capacity of an individual or group of people to obtain financial support for the growth of their business operations (Addo & Asante, 2023; Adomako et al., 2016). This financial support has become crucial, as promoting financial accessibility will not only guarantee the survival of SMEs but also accelerate economic development (Amadasun & Mutezo, 2022; Nwankwo & Okeke, 2017).

However, owing to the difficulties faced by small and medium enterprises (SMEs) in accessing financial resources for growth and sustainability, particularly SMEs in developing countries. SME Owners are expected to have a certain level of financial knowledge in assessing the different financing options (Agyapong & Attram, 2019; Dakare & Okon, 2021). For instance, the high failure rate bulging most SMEs in Nigeria and other African countries is linked to a lack of financial knowledge in assessing the different financing options for these SMEs (Buchdadi et al., 2020; Eniola & Entebang, 2017). Implying that the success or failure of SME firms will depend on the level of financial literacy (Tuffour et al., 2022).

Financial literacy refers to the degree to which individuals comprehend important financial concepts, and have the capacity to handle personal funds decision-making (Graña-Alvare et al., 2023). Previous studies have identified financial literacy as a key determinant of access to financial services among SMEs (Boateng, & Poku, 2019; Buchdadi et al., 2020; Eniola & Entebang, 2017; Okello et. Al., 2017; Twumasi et al., 2022; Ye & Kulathunga, 2019). Most of these studies, however, have predominantly studied the nexus between financial literacy and access to financial resources.

Thus, the question arises—do the gender and age of SME owners moderate the link between financial literacy and accessibility to financial resources? As pointed out by Hambrick and Mason (1984) the level of financial literacy of SME owners depends on the owners' background traits or characteristics such as age, gender, experience in the industry, and educational level. Which, in turn, has significant implications for their access to financial resources among SMEs. Given these questions stated above, the present study examines the moderating role of gender and age in the relationship between financial literacy and access to financial resources among SME owners in developing countries. Especially in the Nigerian context which appears to be invisible in the small business management and entrepreneurship literature. Although most of the previous studies have empirically established that financial literacy is one of the key instruments needed to help increase access to finance among SMEs (Buchdadi et al., 2020; Haleem et al., 2022). Little research is present that focuses on demographic factors such as gender and age that moderate the influence of financial literacy on access to financial resources among SME owners in developing countries more especially in the Nigerian context. The above premise, therefore, creates the research gap that motivated the study.

Our application of gender and age as moderating variables operating between financial literacy and access to finance among SMEs makes several notable contributions to the small business management and entrepreneurship literature. First, we contribute to the literature by drawing on the upper-echelon theory to further establish the relationship between financial literacy and access to finance within the context of a developing nation. Secondly, we contribute to this literature by illustrating how demographic factors of SME owners can be used to understand the link between financial literacy and their access to financial resources. The outcome of the study will provide empirical evidence that will have the potential to contribute to policy debates on SMEs. Furthermore, how governments, academics, and policymakers can design and implement supportive financial educational programs that will improve the financial well-being of SME owners. This will enable SME owners to continue to thrive and support economic growth in Nigeria and Africa.

2. Literature Review and Hypotheses

2.1 Upper Echelons Theory (UET)

The study draws on the Upper Echelons Theory (UET) developed by Hambrick and Mason (1984). According to the UET, the level of financial literacy of firms' owners

depends on the owners' sociodemographic factors such as age, gender, experience in the industry, and educational level. This, in turn, has significant implications for SMEs' access to finance (Shusha, 2017). SME-owners' age and gender have been argued to have influenced the level of their financial literacy (Agyapong & Attram, 2019). This, in turn, will directly affect the choice of assessing the different financing options needed for the growth and sustainability of their firms (Agyapong & Attram, 2019). The extent of accessing finance resources for the survival and growth by SME firms will not only depend on their financial knowledge but also the socio-demographic characteristics (i.e., age and gender) of the SME owners (Bucher-Koenen et al., 2012; Hambrick & Mason, 1984). Thus, SME firms can rely on the personal characteristics of the SME owners and the level of their financial literacy to access financial products from financial institutions. Personality traits and financial literacy of SME owners can be considered as key components of SMEs' intrinsic resources that have the latent to influence access to financial services, particularly from formal financial institutions (Bucher-Koenen et al., 2012).

The age, gender, and financial literacy of owners of SMEs can be considered inherent resources of owners that have the budding to influence access to financial resources from financial institutions. For example, Norman et al. (2019) argue that the dawdling acceptance of financial products and services among individuals and SME owners could be attributed to financial illiteracy. Giving much attention to studies on SME owners' socio-demographic factors would enhance SME firms' performance by easy access to financing options needed (Babajide et al., 2023; Vallabh & Mhlanga, 2015).

Meanwhile, financial literacy complements the resources of SME owners since it boosts their financial decision-making knowledge and skills. The financial literacy skills of SME owners would support them in accessing the different financial resource options and effectively making strategic decisions to avoid financial losses and distress (Shusha, 2017). Therefore, based on UET, this study examines the moderating influence of gender and age on financial literacy and access to financial resources among SME owners in developing countries.

2.2 Financial Literacy and Access to Finance

The upper-echelon theory was employed in this study to explain the relationship between financial literacy and accessibility to finance. This theory is important for explaining how the financial literacy level of SME owners may influence their access to finance. For

example, as owners, they must make critical decisions regarding how they can access finance for the business. Consequently, the lack of financial literacy associated with these SME owners often causes adverse financial problems to their survival and growth (Addo & Asante, 2023; Tuffour et al., 2022). For instance, the insufficient knowledge of financial literacy among SME owners on fundamental financial concepts makes it difficult for them to take advantage of financial services. This also affects their ability to make well-informed financial decisions and reduces the possibility of being cheated on financial matters.

Research has shown that lack of financial literacy and inadequate business insight among SME firms in developing countries is a major cause of their failure, which further weakens entrepreneurial activities within these economies (Dakare & Okon, 2021; Okello et al., 2017). Financial literacy is one of the main components of core managerial competencies required for SMEs' growth (Ponio & Timog, 2017; Korkmaz et al., 2021). SME owners need to be financially literate since they constantly engage in financial decision-making activities such as obtaining financial resources, allocating financial resources, and utilizing financial resources (Eniola & Entebang, 2017). The lack of financial knowledge to carry out these activities effectively will always have negative consequences that will jeopardize the survival and growth of SMEs (Buchdadi et al., 2020; Eniola & Entebang, 2017).

Extant literature on SME finance contends that efficiency in business skills such as financial knowledge contributes notably to the degree of success amongst SME owners (Balarezo & Nielsen, 2017; De Bruhn et al., 2010). For example, a healthy financial literacy skill is essential when it comes to decision-making on the procurement of loans offered by formal financial institutions to improve the capacity and expansion of SME firms. Likewise, the holistic aim of financial knowledge is to equip SME owners on how to use financial products and services more effectively. Also, make decisions concerning how they accrue savings, diversify assets, and circumvent over-indebtedness. This helps to enhance their creditworthiness, their ability to maintain sound financial systems, and self-reliance (Okello et al., 2017; Tuyisenge et al., 2015; Siekei et al., 2013; Ye & Kulathunga, 2019;). Drawing from past study and research, we argue that financial literacy will influence accessibility to finance and hypothesize that:

H₁: Financial literacy will have a significant influence on access to financial resources among SME owners.

2.3 The Gender of SME Owners as a Moderating Variable

Studies have demonstrated that demographic variables such as gender have a direct and indirect effect on firm owners' level of financial literacy which significantly impacts their access to financial resources (Kadoya & Khan; Norman et al., 2019; Mbarire & Ali, 2014). For instance, empirical studies have established that SME owners' gender differences play a pivotal role in deciding their levels of financial literacy (Asongu et al., 2020; Balogun et al., 2018; Mbarire & Ali 2014). This significantly predicts their access to credit or finance (Mbarire & Ali 2014). Though studies on demographic traits and financial literacy have mainly remained inconsistent concerning the link between gender, and financial literacy which subsequently affects their accessibility to finance (Bottazzi & Lusardi, 2021; Koyoda & Kahn, 2020).

The empirical inquiry of Lusardi and Messy (2023) and Bernheim (2009) report that gender significantly determines the levels of financial literacy which subsequently affects their accessibility to finance. These studies further conveyed that men are more financially knowledgeable compared to their women counterparts. Other studies have acknowledged that the low level of financial literacy among female SME owners is the major constraint that has barred them on how best to navigate complex loan application procedures (Buchdadi et al., 2020; Dutta & Mallick, 2023; Robson & Peetz, 2020).

Also, how SME owners can evaluate financial products, keep financial records, making informed decisions that will facilitate the proper use of idle funds. Furthermore, how best to develop and execute an effective financial plan to access finance for viable growth and sustainability of their firms. On the other hand, the study of Irwin and Scott (2010) established that females are more financially knowledgeable when compared to their male counterparts. Arguably, from the literature gender plays a vital role in the relationship between financial literacy and access to finance of SME-owners in developing countries. In line with the literature, it is necessary to ascertain the role of gender in the relationship between the financial literacy of SME owners and access to finance. Thus, we hypothesize that:

H₂: Gender significantly moderates the relationship between financial literacy and access to financial resources among SME owners.

2.4 The Age of SME Owners as a Moderating Variable

Age is one of the demographic factors in the literature that is notable when it comes to SME performances (Alharbi et al., 2018). Studies have argued that the age of SME owners has a significant relationship with their level of financial literacy (Agyei, 2018; Mbarire & Ali, 2014; Kodoya & Khan, 2020). For instance, the study carried out by Kadoya and Khan, (2020) found middle-aged SME owners to be financially literate when compared to the older SME owners. This implies younger SME owners who have a high level of financial literacy can be innovative and perform better.

However, Kodoya and Khan (2020) argued that the age of SME owners does not predict their financial literacy level. Lyons and Kass-Hanna (2021) further demonstrate that age has no significant influence on individual financial literacy level that may determine access to finance or credit. Nguyen and Luu (2013) establish that age does not have a significant effect on individual financial literacy levels. This contrary opinion creates mixed results in the relationship between the age of SME owners and their level of financial literacy. In line with this review, it is necessary to ascertain the role of age in the relationship between the financial literacy of SME owners and access to finance. Thus, we hypothesize that:

H₃: The Age of SME owners significantly moderates the relationship between financial literacy and access to financial resources.

3. Methodology

3.1 Sample Size

The study sample was drawn from 286 SME owners in Lagos State, Nigeria. The choice of Lagos State is because it is the commercial nerve of the country, and most of the SME owners are located in Lagos State. The study employed a cross-sectional research design, which allows for the collection of responses within a time frame.

3.2 Research Instrument

A questionnaire was employed as a research instrument using a convenient sampling technique. The questionnaire was divided into two parts. Part A consists of the socio-demographic information of respondents, and Part B consists of questionnaire items on

the study variables, which were adapted from previous literature. Copies of a questionnaire were distributed to SME owners who were informed of the anonymity of their responses. Administered questionnaires were filled at the convenience of the respondents and within a time lag. This assisted in controlling for social desirability bias since the study employed self-rated data. Procedural and statistical approaches were employed to ensure that common method of bias was not a problem in the data collected (George & Pandey 2017; Podsakoff et al., 2012). Consequently, Harman's single-factor test was employed. The finding of the single-factor test revealed that 18.33% of the variance was accounted for, which is within the suggested threshold of 50%.

3.1 Measurement

To measure Access to finance, Ye and Kulathunga's (2019) modified questionnaire was employed. This consists of Ten items on a five-point Likert Scale. Sample items include: "The financial services provided by banks are safe for us" and "The financial services offered by banks have led to improvement in our business" An internal consistency of 0.88 was found with the questionnaire. Bongomin et al. (2017) financial literacy scale was employed to measure financial literacy. This scale consists of 13 items measured on a five-point Likert scale. Samples of the items in the questionnaire are: "My organisation has the required skills to ascertain the financial trends of our organisation" and "My organisation can analyze our financial performance periodically" The scale has an internal consistency of 0.87.

3.2. Data Analysis Process

Before testing the hypotheses of the study, it is important to establish the validity and reliability of the study variables by conducting a preliminary analysis. This was achieved by employing a structural equation model (SEM) with the aid of SPSS Amos 26. First, the measurement model was used to achieve confirmatory factor analysis (CFA). From the CFA, the model fit was achieved in line with Hu and Bentler (1999) and Hair et al. (2010). Then the composite reliability (CR), discriminant validity, and convergent validity were achieved. Secondly, the structural model was then employed to establish the effect of financial literacy on access to finance. To determine the moderating role of gender and age, Hayes's (2017) PROCESS macro was employed using a bootstrapping technique with a 95 percent confidence interval at 5,000 reiterations.

4. Results

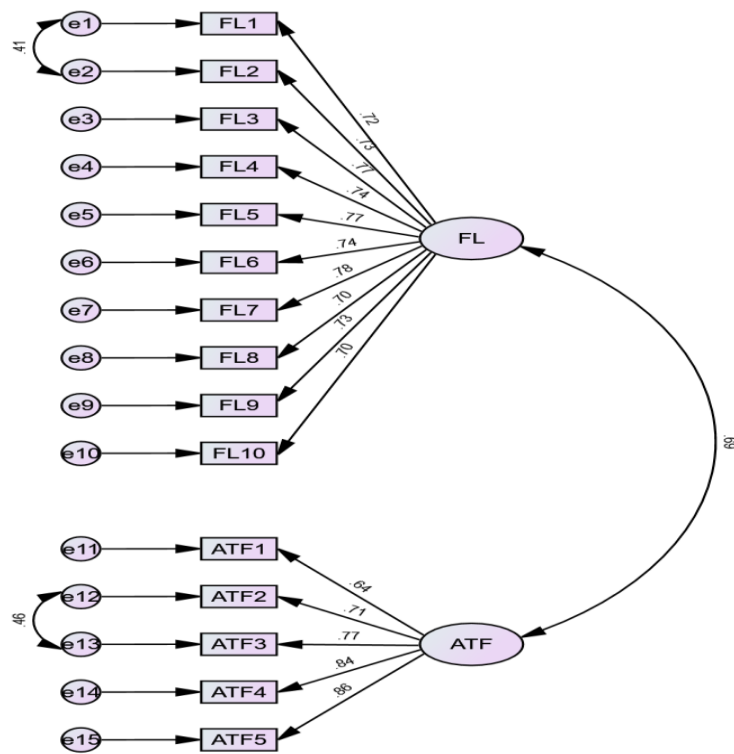
4.1. Descriptive Statistics

The study ascertained the normality of the data in line with Kline (2011). The standard deviation of the variables was compared to the means of the variables. The standard deviation (SD) and the mean of the study construct show that financial literacy (SD = 0.710; Mean = 3.90) and access to finance (SD = 0.621; Mean = 3.30). The result revealed that the relatively small SDs imply that the calculated averages represent the observed data. Furthermore, the skewness and kurtosis results revealed that the values of the variables were within the threshold of 10 (Kline, 2011). Skewness and kurtosis for financial literacy (1.300; 1.950), while access to finance (1.108; 0.660)

4.2. Measurement Model

The CFA was employed to establish fit indices which must be obtained before analyzing the convergent validity, composite reliability, and discriminant validity. The root mean square of approximation (RMSEA) must be ≤ 0.06 , Comparative fit index (CFI) ≥ 0.90 , Goodness of Fit Index (GFI) ≥ 0.90 , Turker-Lewis index (TLI) ≥ 0.90 , and standard root mean square residual (SRMR) < 0.08 . This is in line with Hu and Bentler (1999). Furthermore, having four or three of these indices is sufficient for a model fit (Hair *et al*, 2010).

Figure 1: Measurement Model



Source: Researchers 2023

The preliminary CFA built on a two-factor model (financial literacy and access to finance) was tested. The result shows that the model fits the data well ($\chi^2/df= 2.316$, RMSEA = 0.068, CFI = 0.956, GFI = 0.906, SMRS = 0.046). Comparing this to the single-factor model, a poor fit was obtained ($\chi^2/df=7.267$, CFI = 0.784, GFI = 0.704, RMSEA = 0.148, SMRS = 0.098). This result shows that the common method of bias does not have a significant threat and should not be considered a serious challenge in the data set.

Table I. Composite Reliability, Validity and Correlation

Variable	CR	AVE	FL	ATF
FL	0.92	0.54	0.74	
ATF	0.88	0.59	0.69**	0.77

Key: Sig. ** $p < 0.010$, Key: **CR:** Composite Reliability; **AVE;** Average Variance Extracted; **FL:** Financial Literacy; **ATF:** Access to Finance

Source: Researchers 2023

Table I presents the composite reliability, discriminant validity, convergent validity, and correlation among the study variables. The composite reliability of variables in this study is above 0.70, which aligns with the traditions of Fornell and Larker (1981). The convergent validity figure in Table 1 shows that the AVE for the latent constructs is above 0.5, while the discriminant validity revealed that the variables are unique and distinct since the square root of the AVE is greater than the correlation of the variables. Therefore, composite reliability, convergent, and discriminant validity were confirmed for the study variables. The correlation result revealed that financial literacy had a significant positive relationship with access to finance ($r = 0.69$; $p < 0.01$).

4.3 Hypotheses Testing

Hypothesis One

H₁: Financial literacy will have a significant influence on access to financial resources among SME owners.

Table II. Hypothesized Parameter Estimate for Hypothesis One

<i>Paths</i>	<i>Beta</i>	<i>S.E.</i>	<i>C.R.</i>	<i>R²</i>	<i>p-value</i>
H₀₁. FL → ATF	0.67	0.07	8.21	.44	0.000

Key: *S.E.*: Standard Error; *C.R.*: Critical ratio, *FL*: Financial Literacy; *ATF*: Access to Finance

Source: Researchers 2023

Table II addresses hypothesis one, the result of the regression revealed that financial literacy had a positive significant influence on access to finances amongst SME owners in Lagos State, Nigeria ($\beta = 0.67$; $C.R. = 8.21$; $p < 0.01$). Furthermore, the R^2 value indicates that 44% of the variance in access to finance is caused by the level of their financial literacy. The remaining 56% is accounted for by the unique factor e16 in the model. Based on this result, the hypothesis is accepted.

Hypothesis Two

H₂: Gender significantly moderates the relationship between financial literacy and access to financial resources among SME owners.

Table III: Financial Literacy on Access to Finance Moderated by Gender

Variable	β	t	P	F	$R^2(\Delta R^2)$
Financial Literacy	0.67	19.27	0.000	127.06	0.58 (0.01)***
Gender	0.09	2.09	0.000		
Financial Literacy x gender	0.12	2.40	0.000		

*** $p < 0.001$

Source: Researchers 2023

The moderating role of gender in the link between financial literacy and access to finance is reported in Table III. The result revealed that financial literacy has a significant influence on access to finance ($\beta = 0.67, t = 19.27, p < 0.01$). Also, gender has a significant influence on access to finance ($\beta = 0.09, t = 2.09, p < 0.01$). Furthermore, the result revealed a significant interaction effect of financial literacy and gender on access to finance ($\beta = 0.12, p < 0.01$) with a significant $\Delta R^2 = 0.01, p < 0.01$). Therefore, hypothesis two is confirmed.

Hypothesis Three

H₃: The Age of SME owners significantly moderates the relationship between financial literacy and access to financial resources.

Table IV: Financial Literacy on Access to Finance Moderated by Age

Variable	β	t	P	F	$R^2(\Delta R^2)$
Financial Literacy	0.67	19.49	0.000	130.61	0.58 (0.01)***
Age	0.05	1.99	0.000		
Financial Literacy x age	0.12	2.81	0.000		

*** $p < 0.001$

Source: Researchers 2023

The role of age as a moderator between financial literacy and access to finance is depicted in Table IV. The result shows that the relationship between financial literacy and access to finance is significant ($\beta = 0.67, t = 19.49, p < 0.01$). In addition, the result shows that age has a significant influence on access to finance ($\beta = 0.05, t = 1.99, p < 0.01$). The result further revealed a significant interaction effect of financial literacy and age on accessibility to finance ($\beta = 0.12, t = 2.81, p < 0.01$) with a significant $\Delta R^2 = 0.01, p < 0.01$). Therefore, hypothesis three is confirmed.

5. Discussion

The study investigated the links between financial literacy and access to finance and the moderating role of gender and age of SME owners, drawing on the upper-echelon theory. Three hypotheses were tested, and the result revealed that for hypothesis one, financial literacy had a significant influence on access to finance for SME owners in Lagos State. The finding of this study aligns with previous studies where they found that the level of financial literacy has a significant influence on the level of owner accessibility to finance (Addo & Asante, 2023; Eniola & Entebang, 2017; Mbarire & Ali, 2014).

This study further revealed the importance of gender as a moderating variable in the relationship between financial literacy and access to finance. This is because gender was found to moderate the relationship between financial literacy and access to finance.

In line with this, studies on SMEs have established the importance of gender differences when it comes to financial literacy and the ability to access credit facilities (Balogun et al., 2018). This finding further expands the literature on the importance of gender in line with previous findings that reported the positive influence of gender on financial literacy (Dutta & Mallick, 2023; Lusardi & Messy 2023). Although Irwin and Scott (2010) were of the view that gender plays no significant role when it comes to accessing finance for business, this finding does not align with this position.

In addition, the finding revealed that age moderates the relationship between financial literacy and access to finance. This is consistent with previous studies that reported age as an important socio-demographic factor that plays a vital role in understanding the financial literacy of SME owners (Kodoya & Khan, 2020; Mbarire & Ali 2014). Furthermore, the literature has argued that middle-aged SME owners are more financially literate than older SME owners (Lusardi & Messy 2023). However, previous findings have revealed mixed results on the nexus between age and financial literacy. The current study demonstrates that age is an important factor to consider when it comes to; accessing finance for SME owners.

5.1 Theoretical Implications

Theoretically, this research paper complements the existing pool of literature on financial literacy and access to finance among SME owners. The study provides support for the

application of the upper-echelon theory by reinforcing our knowledge of how financial literacy influences access to financial resources. The study also highlights the important role of gender and age in the relationship between financial resources and access to financial resources of SME owners. This is consistent with existing literature that argues that financial literacy is fundamental for SME owners. Furthermore, little is known about the moderating role of gender and age in financial literacy and access to finance relationships. We draw on the upper echelons theory to understand how gender and age moderate the relationship between financial literacy and access to finance of SME owners in a developing country. This study deepens our understanding of the role played by gender and age in the SME literature.

5.2 Practical Implications

The present study has implications for SME owners to understand how their level of financial literacy, including gender and age, can influence their access to financial resources. It is noteworthy to understand that SMEs play a pivotal role in the economic development of any nation. It is a channel through which small businesses develop into conglomerates. Our findings suggest the need for SME owners to understand the role of gender and age, not just in their financial literacy level but also in their ability to access finance. The findings have implications for SME owners as well as government and policymakers, as SMEs aim to drive profit and sustain their level of profitability in their business. The findings of this study will enable SME owners to understand how they can better access finance when the need arises. SME owners can improve their access to finance by attending trainings that can help enhance their accessibility to funds and the available options that can be explored within the context of their business cycle.

5.3 Limitation and Future Study

Despite the study findings, it has its limitations. The data was collected from only SME owners given the nature of the study and therefore generalizing the findings should be done with caution. Future studies should examine both the owners and their employees for more robust findings. Data collected for the study was cross-sectional in nature and self-rated thereby limiting the methodological application. Future studies should employ a longitudinal design employing both self-rating and other ratings of the construct. The present study employed gender and age as moderating variables, future studies can

examine other socio-demographic variables to also understand the nexus between financial literacy and access to financial resources.

6. Conclusion

The study examined how financial literacy influences access to finance of SME owners and the moderating role of gender and age. This relationship was developed employing the upper echelon theory, with data collected from SME owners in Lagos State, Nigeria. This study expands the financial literacy and access to finance literature amongst SMEs. The report of these findings supports the hypotheses stated as the study concludes that financial literacy had a significant influence on SME owners' access to finance, and this relationship is further moderated by gender and age. The introduction of age and gender as moderating variables makes a novel contribution to the SME literature in developing and emerging economies. SME owners are expected to understand the role their ages and gender can play in the relationship between financial literacy and access to finance.

In conclusion, employing the upper-echelon theory, the study established the moderating role of age and gender in the relationship between financial literacy and access to finance of SMEs in developing nations. SEM and Process Macro were employed to validate the study variables and test the study hypotheses. As policymakers continue in their quest for expanding SMEs' access to finance, this study contributes to how SME owners can enhance their ability to access finance. The study conveys empirical evidence that has the potential to contribute to policy debates. These debates will include how governments, academics, and policymakers can design and implement supportive financial educational programs. That is programs and policies on access to financial resources that will help improve the financial well-being of SME owners in Nigeria and Africa.

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Questionnaire

Dear Sir/Madam,

The researcher is currently conducting a study on “Financial Literacy and Access to Finance of SMEs”. This questionnaire aims to gather data for the research work

This research work is purely an academic exercise as responses will be treated confidentially. Your cooperation is highly solicited in completing the questionnaire, which will only take a few minutes to answer.

Thank you for your anticipated cooperation.

Researchers

Please indicate by ticking (✓) the appropriate option.

SECTION A

BACKGROUND INFORMATION OF RESPONDENTS

- i. Gender: (a) Male (b) Female
- ii. Indicate your age bracket:
 - (a) 18–24 (b) 25–34
 - (c) 35–44 (d) 45–54
 - (e) over 55 years
- iii. Indicate your highest educational qualification:
 - (a) Primary (b) Secondary
 - [] (c) Bachelor’s Degree or equivalent (d) Master’s Degree or
 - [] (e) Doctorate Degree
 - (f) Others.....(Please specify)
- vi) Business Experience
 - (a) 0-5 yrs (b) 5-10yrs
 - (c) 10-15yrs (d) 15-20yrs
 - (e) Above 20yrs

SECTION B

For each statement, indicate if you Strongly Agree (SA), Agree (A), Partially Disagree (PD) Disagree (D) or Strongly Disagree (SD)

	Access to Finance	SA	A	PA	D	SD
1.	The financial services offered by the bank has led to improvement in our organisation.					
2.	The financial services offered by the bank has led to improved access to health services for our organisation.					
3.	The financial services offered by the bank has enabled the organisation met up with creditors.					

4.	The saving product provided by the bank is suitable for us.					
5.	The savings product offered by the bank is safe for us					
6.	The loan product provided by the bank suits our needs					
7.	The terms and conditions on use of loans provided by the bank is favourable to us.					
8.	The financial services provided by the bank is safe for us.					
9.	The initial account opening fees charged by the bank is affordable.					
10.	The cost of making a trip to the bank is affordable.					

For each statement, indicate if you Strongly Agree (SA), Agree (A), Partially Disagree (PD) Disagree (D) or Strongly Disagree (SD)

	Financial Literacy	SA	A	PA	D	SD
1.	We have the ability to analyze our financial performance periodically.					
2.	My enterprise makes monthly income returns to the lender					
3.	I receive training on proper book keeping skills.					
4.	My enterprise has bought formal insurance for our businesses.					
5.	The management of this business can compute the cost of its loan funds.					
6.	My enterprise operates a savings account.					
7.	The entrepreneur can prepare basic books of accounts.					
8.	The firm is aware of the operations of lending firms relating to our financial needs					
9.	Am aware of the costs and benefits of accessing credit					
10.	My firm is able to correctly calculate interest rates on my loan payments					
11.	We have required skills to ascertain the financial trends of the firm					
12.	We have skills of minimizing losses by minimizing bad debts					
13.	My manager has basic accounting knowledge.					

Thank you