MAKERERE  **UNIVERSITY**

FINANCIAL KNOWLEDGE, FINANCIAL BEHAVIOR AND FINANCIAL WELLBEING AMONG FEMALE ENTREPRENUERS IN KAMPALA DISTRICT.

BY

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PLAN A

DECLARATION

I hereby declare that this dissertation is my own original idea and no part has been presented for another degree in this University or elsewhere

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APPROVAL

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Abstract

This study examined the relationship between financial knowledge, financial behavior, and financial well-being among female entrepreneurs in Kampala District, Uganda. The research aimed to assess how financial knowledge and behavior impact the financial well-being of women

entrepreneurs and to explore their combined effects. A total of 206 responses were collected, yielding a high response rate of 77.7%. Demographic characteristics of respondents showed that the majority were between 30-40 years old and had attained higher education, with many operating retail businesses and small capital bases.

The findings revealed that financial knowledge and financial behavior both significantly influenced the financial well-being of female entrepreneurs. The study found a positive relationship between financial knowledge and financial well-being ($r = .653$), as well as between financial behavior and financial well-being ($r = .690$). Furthermore, regression analysis showed that financial behavior had a stronger predictive power (Beta = .471, $p < .000$) than financial knowledge (Beta = .388, $p < .000$) in determining financial well-being, accounting for 57.3% of the variance.

The study concludes that financial knowledge and behavior are crucial for improving the financial stability and success of women entrepreneurs in Kampala. It highlights the need for targeted financial literacy programs that address key areas such as saving, investment, inflation, and credit management. Additionally, promoting positive financial behaviors such as effective budgeting, regular saving, and responsible credit use is essential for improving the financial well-being of female entrepreneurs.

The study recommends the development of accessible financial literacy programs, integration of informal and formal financial systems, and the creation of women-friendly financial products. It also acknowledges the limitations of using a quantitative design, such as the inability to capture deeper insights from open-ended questions and the rigid nature of the research methodology. Future studies could benefit from incorporating mixed methods or longitudinal designs to further explore the evolving financial practices of female entrepreneurs.

Chapter 1: Introduction

1.1. Introduction

This chapter includes the background, purpose of the study, statement of the problem, research objective, significance of the study and the conceptual framework.

1.2. Background to the study

Financial well-being has become an essential field of inquiry, encompassing more than just income or access to financial services. It includes how financially secure an individual feels, how much control they have over their daily expenses, and if they are able to attain their future financial goals(OECD, 2024) The Consumer Financial Protection Bureau says that just having financial knowledge isn't enough and that one need's to translate that knowledge into positive financial behaviors to attain financial wellbeing(Consumer Financial Protection Bureau, 2015)

Financial literacy is generally recognized as a multifaceted concept encompassing knowledge, attitudes, skills, and behavior. However, Studies show that combing positive financial behaviors and knowledge is crucial to significantly improve well-being (Bhatia & Singh, 2024). Financial knowledge is the basic understanding of financial concepts, products, and risks that people need to make smart money decisions (Antwi et al., 2024). Financial behavior encompasses saving and investment behavior, cash management, credit management, and insurance management. A study by TIAA Institute showed that people who plan and save regularly report much higher well-being. This evidence consistently emphasizes that financial knowledge must be paired with consistent, informed behavior to attain financial security and control.

The Global Findex Database shows that 24% of adults in developing countries couldn't get emergency funds within 30 days (World Bank, 2025). In Sub-Saharan Africa, there is still a big difference between men and women when it comes to financial knowledge and financial well-being. According to a study by (Irene et al., 2025), female entrepreneurs in Sub-Saharan Africa generally have a fair amount of financial knowledge, but they don't use it well. They don't keep good records, don't budget well, and don't save regularly.

Women in Kenya, Tanzania, and Uganda often know how to manage their money, but they don't always do. The emphasis on female entrepreneurs in Kampala District is particularly important due to their substantial, yet frequently marginalized, impact on the local economy and their distinct challenges (Batista et al., 2022; Singla et al., 2024) like increased caregiving responsibilities, diminished autonomy (Loiacono et al., 2025). Despite their entrepreneurial aspirations, they often

face unique and widespread challenges like difficulties with fundamental numerical skills and comprehending loan expenses, which can hinder business expansion and efficient debt management (Christodoulou et al., 2024; Kinyanjui & Ocholla, 2025). These issues together make it hard to achieve financial stability (Asante & Lao, 2024; Kimuli et al., 2022) 2022).

According to Behavioral Finance Theory, psychological biases, emotions, and cognitive limitations can break the connection between knowledge and action (Lyons & Kass-Hanna, 2021; Nadeem et al., 2020). Inadequate record-keeping, ineffective budgeting, and inconsistent saving demonstrate cognitive and emotional impediments that affect decision-making, even among individuals with financial literacy(Byegon, 2020; Liu et al., 2021) Overconfidence and other biases tend to make people underestimate financial risks, keep careful records, thinking that things will go well despite careful planning (Nwosu & Ilori, 2024).

The evidence examined indicates a significant gap that persists in understanding the joint effect of financial knowledge and financial behavior in influencing women's financial wellbeing in Kampala District thereby contributing to more sustainable entrepreneurship and economic development.

1.3. Purpose of the study

The purpose of this study is to examine the effect of financial knowledge and financial behavior on the financial well-being of female entrepreneurs in Kampala District. Specifically, the study aims to determine how financial knowledge and financial behavior individually and jointly influence women’s ability to achieve financial security, control, and freedom, as conceptualized under the Behavioral Finance Theory.

1.4. Statement of the Problem

Although numerous global and regional initiatives have sought to enhance financial literacy, evidence continues to show that financial distress remains prevalent, especially among women entrepreneurs (Odoch et al., 2024). Women entrepreneurs, while vital for economic development, often face significant financial hardship (Ozasir-Kacar & Essers, 2023; Raza et al., 2024), and maintaining entrepreneur well-being is key for long-term business success (Sierra-Casanova et al., 2024). The World Bank’s Global Findex Database reports persistent gender gaps in financial inclusion, with academic research confirming these disparities. For example, studies based on Findex data highlight that women in Sub-Saharan Africa often have lower rates of formal financial

account ownership compared to men, and less engagement in formal saving (Elouardighi & Oubejja, 2023; Faton et al., 2025). This underscores a persistent gender gap not only in access but also in the capacity to make informed financial decisions and maintain resilience during economic shocks (Odoch et al., 2024). According to Behavioral Finance Theory, these disparities often stem from cognitive and behavioral biases that influence decision-making even among financially knowledgeable individuals. Research indicates that many women exhibit adequate understanding of financial principles, but still engage in inconsistent saving, borrowing, and spending habits that undermine their financial security (Kinyanjui & Ocholla, 2025; Purnamawati et al., 2020). This mismatch between knowledge and practice underscores the need to examine how financial behavior mediates the effect of financial knowledge on well-being(Dangcil et al., 2024).

In Uganda, women constitute a significant portion of entrepreneurs, with some studies indicating that they manage a majority of small businesses (Sendawula et al., 2023), yet they remain disproportionately affected by financial insecurity. research confirms that loan repayment performance is a critical issue for microfinance institutions in Uganda (Ssekiziyivu et al., 2018). Furthermore, evidence supports that a large proportion of entrepreneurs, particularly in low-income countries like Uganda, rely on informal credit sources due to challenges with formal financing (Abaho et al., 2022). Despite continuous financial literacy programs and gender-focused support initiatives, many female entrepreneurs in Kampala continue to experience poor cash flow management, limited savings culture, and low financial confidence, conditions that diminish their ability to make choices that enhance their quality of life (Kinyanjui & Ocholla, 2025; Namawejje & Yawe, 2024; Purnamawati et al., 2020) While existing studies in Uganda have explored women's financial literacy levels, few have empirically examined how financial knowledge and financial behavior jointly influence financial well-being among women entrepreneurs, creating a significant research gap (Batista et al., 2022). This gap leaves policymakers and practitioners uncertain about which aspect of financial literacy most strongly predicts financial well-being in this context.

Therefore, this study seeks to address this gap by examining the relationship between financial knowledge, financial behavior, and financial well-being among female entrepreneurs in Kampala District. The study is guided by Behavioral Finance Theory, which explains that individual financial outcomes depend not only on rational understanding but also on behavioral execution. By empirically testing these relationships, this study aims to provide evidence-based insights that

can inform interventions designed to improve women's financial resilience and overall economic empowerment

1.5. Objectives of the Study

1. To examine the relationship between financial knowledge and financial well-being among female entrepreneurs in Kampala District.
2. To examine the relationship between financial behavior and financial well-being among female entrepreneurs in Kampala District.
3. To examine the joint effect of financial knowledge and financial behavior on the financial well-being of female entrepreneurs in Kampala District.

1.6. Research Questions

1. What is the relationship between financial knowledge and financial well-being among female entrepreneurs in Kampala District?
2. What is the relationship between financial behavior and financial well-being among female entrepreneurs in Kampala District?
3. What is the joint effect of financial knowledge and financial behavior on financial well-being among female entrepreneurs in Kampala District?

1.7. Hypotheses of the Study

1. H_{o1}: There is a significant and positive relationship between financial knowledge and financial well-being among female entrepreneurs in Kampala District.
2. H_{o2}: There is a significant and positive relationship between financial behavior and financial well-being among female entrepreneurs in Kampala District.
3. H_{o3}: Financial knowledge and financial behavior do have a significant and positive joint effect on financial well-being among female entrepreneurs in Kampala District.

1.8. Scope of the Study

1.8.1. Content Scope

The study focused on the concepts of financial knowledge and financial behavior as independent variables and financial well-being as the dependent variable. Financial knowledge focused on measuring the respondent's understanding of products and services provided by financial institutions, knowledge of interest rates, inflation, and risk diversification. Financial behavior examined the behaviors displayed to attain financial security, save and invest, maintain credit

discipline, demonstrate credit commitment, and how conscious the respondent was when making financial decisions. Financial well-being measures an individual's sense of financial security, freedom of choices, and control.

1.8.2. Geographical Scope

The study is confined to Kampala District, which is the commercial and entrepreneurial hub of Uganda, hosting a high concentration of women-led micro and small enterprises. The study focused on five divisions in the Kampala district: Central Division, Kawempe Division, Nakawa Division, Makindye Division, and Rubaga Division.

1.8.3. Time Scope

The research was conducted between January and October 2024. Given that this was a cross-sectional study, measuring the variables for the last six months to a year was an important component.

1.9. Significance of the Study

This study offers significant contributions across academic, policy, and practical domains, particularly within the context of women entrepreneurship in developing economies. The findings are expected to provide practical and theoretical insights that can guide policymakers, financial educators, and development practitioners in designing gender-responsive financial literacy and behavior change programs that enhance women's financial well-being and entrepreneurial sustainability in Uganda.

1.9.1. Academic Contribution

The research makes a salient academic contribution by empirically validating and extending Behavioral Finance Theory within a novel context. While Behavioral Finance Theory posits that cognitive biases and emotional factors influence financial decision-making, leading to deviations from rational economic behavior, empirical evidence from women entrepreneurs in Sub-Saharan African contexts, specifically Uganda, remains relatively sparse. This study aims to fill this void by examining the mediating role of financial behavior in the relationship between financial knowledge and financial well-being.

1.9.2. Policy and Institutional Relevance

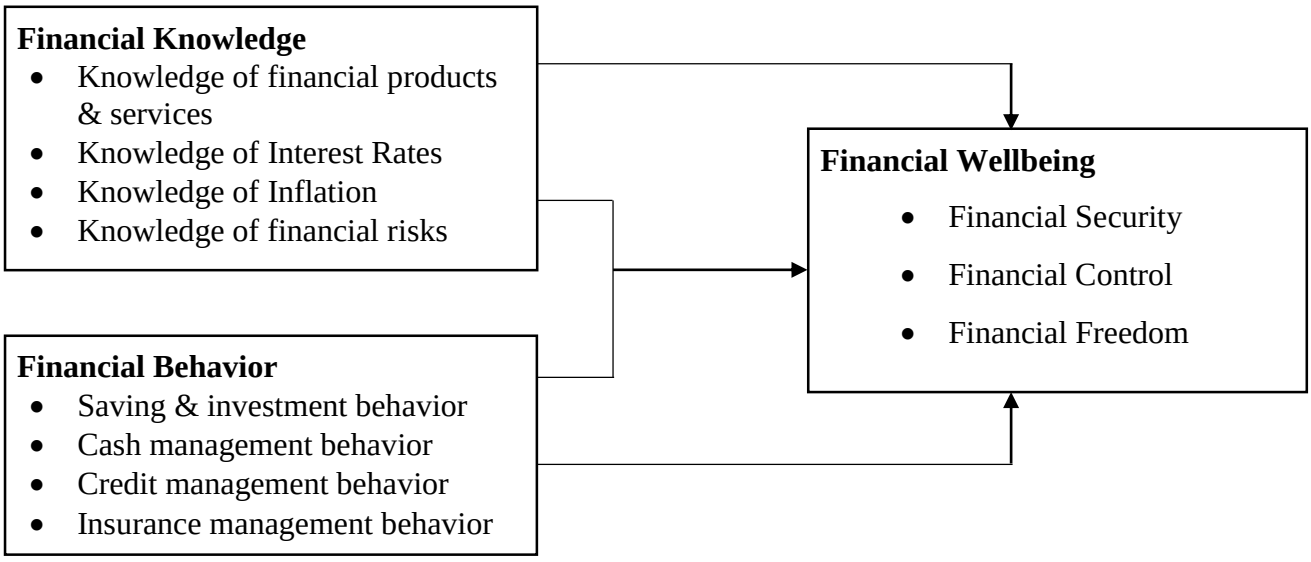
The findings of this study will provide crucial, evidence-based insights for policymakers and key institutions engaged in financial inclusion and women's economic empowerment in Uganda. Specifically, organizations such as the Bank of Uganda, the Ministry of Finance, Planning and

Economic Development, and Financial Sector Deepening Uganda can leverage these insights to design more effective and gender-responsive policies and financial literacy programs.

1.9.3. Practical and Managerial Implications

The research will offer critical guidance for refining their programs. It will underscore the imperative to move beyond traditional financial education by integrating modules that specifically target behavioral aspects, such as managing cognitive biases (e.g., present bias), developing self-control strategies for saving, and improving practical cash flow management and record-keeping through interactive, behaviorally-informed pedagogies. This could lead to the development of more effective financial products and advisory services by microfinance institutions that account for the behavioral realities of their female clientele, ultimately fostering greater financial discipline, improved loan repayment performance, and sustainable business growth.

1.9.4. Figure 1.0 Conceptual frame work



Chapter 2: Literature Review

2.1. Theoretical Review

This study is primarily anchored in the Behavioral Finance Theory, developed by pioneers Kahneman and Tversky through seminal works like Prospect Theory. It integrates psychological insights into economic decision-making to challenge the traditional assumption of absolute rationality (Ruggeri et al., 2023). Unlike classical economic theories that posit individuals as entirely rational agents maximizing utility, Behavioral Finance Theory says that individuals' financial decisions are influenced by cognitive biases, emotions, and heuristics (Lyons & Kass-Hanna, 2021). These psychological factors lead to predictable deviations from rational behavior, explaining why individuals often make suboptimal financial decisions, such as insufficient saving, overspending, or avoiding beneficial investments, even when possessing relevant information (Gorzon et al., 2024).

Behavioral Finance Theory emphasizes that information alone does not guarantee sound decision-making because psychological biases such as overconfidence, loss aversion, anchoring, and present bias can distort how individuals interpret financial information and apply it in practice (Lyons & Kass-Hanna, 2021). This implies that enhancing financial knowledge among entrepreneurs must extend beyond technical literacy to include an awareness of these cognitive and emotional processes that influence decisions (Kaiser & Lusardi, 2024).

Behavioral Finance Theory offers a robust framework for the hypothesized relationships in this study to understand why individuals with similar income or financial literacy levels may experience disparate levels of feelings of control, security, and freedom in financial life (Ruggeri et al., 2023). It directly supports this study's conceptual framework by explaining why interventions focused solely on increasing financial education have not uniformly translated into improved financial wellbeing among female entrepreneurs in Kampala District.

However, in a setting like Uganda, structural barriers and extensive socio-cultural factors can exert a profound influence on financial decisions, potentially interacting with or even overriding individual biases (Ashubwe et al., 2024). Despite these acknowledged limitations Behavioral Finance Theory remains a highly relevant framework for this study.

2.2. The relationship between financial knowledge and financial wellbeing

Financial knowledge, defined as the understanding of various financial products and services, interest rates, inflation, and financial risks, plays a crucial role in shaping individuals' financial well-being. Recent studies highlight that individuals with higher financial knowledge exhibit greater financial well-being indicators, including enhanced emergency fund availability, prudent spending habits, increased perceived financial comfort, and reduced credit card debt, even amidst varying economic This empowers individuals to make informed and confident financial decisions (Lusardi & Mitchell, 2023). Specifically, knowledge of financial products and services allows individuals to make informed choices regarding investments, savings accounts, and insurance options, ultimately contributing to greater financial security. Furthermore, understanding interest rates and inflation helps individuals evaluate the real returns on their investments and the purchasing power of their savings, which are essential for long-term financial planning.

Recent literature also emphasizes the critical significance of understanding financial risks as an integral component of financial knowledge. Individuals who possess a solid grasp of financial risks are more likely to engage in effective risk management practices, leading to enhanced financial control. Financially literate individuals are better prepared to adjust their financial strategies in response to changing circumstances, such as fluctuating interest rates or unexpected expenses, thereby increasing their capacity to withstand risks and recover from shocks Despite the extensive existing body of research demonstrating the positive relationship between financial knowledge and financial well-being, several significant research gaps warrant further exploration.

2.3. The relationship between financial behavior and financial well-being

The relationship between financial behavior and financial wellbeing has garnered considerable attention in recent years, highlighting the critical role that specific financial practices play in enhancing overall economic stability. Financial behavior encompasses various activities, including saving and investment behavior, cash management, credit management, and insurance management. According to a study by Montalto and Sung, individuals who actively engage in consistent saving and investment behaviors are more likely to achieve financial security. These behaviors enable individuals to build emergency funds, plan for retirement, and accumulate assets,

which collectively contribute to a stronger financial foundation and reduced vulnerability to economic shocks.

Cash management behavior, which involves budgeting and monitoring expenses, is another vital aspect of financial behavior that significantly impacts financial well-being. Research indicates that individuals who effectively manage their cash flow tend to experience greater financial control, as they can prioritize essential expenses and avoid unnecessary debt. This level of control is crucial for maintaining financial security, particularly in times of economic uncertainty.

A responsible credit management such as timely bill payments, maintaining low credit utilization, and understanding credit scores directly correlates with financial security. Individuals who manage their credit effectively tend to have better access to loans and financial products, fostering greater financial freedom. Maintaining a safe income-to-debt ratio, ideally with monthly consumer debt repayments not exceeding 15% of salary, is critical for healthy credit management and financial stability

Research suggests that individuals who actively engage in insurance management such as regularly reviewing and updating insurance policies experience greater financial security and control Insurance is a key financial tool for managing substantial losses from events like severe climate events, preventing significant financial challenges (Collier & Kousky, 2025).

Despite the growing body of literature examining the link between financial behavior and financial well-being, several research gaps remain. For instance, while many studies highlight individual financial behaviors, fewer explore the interplay between these behaviors and broader socio-economic factors, particularly among vulnerable populations such as women entrepreneurs or low-income households. Vulnerable consumers are often characterized by low financial literacy, high debt, low income, and susceptibility to personal circumstance changes, making them particularly exposed to financial detriment (Hoffmann & McNair, 2018). Understanding how cultural, social, and economic contexts influence financial behavior can provide deeper insights into enhancing financial well-being in these groups.

2.4. The relationship between financial knowledge, behavior, and well-being

The relationship between financial knowledge, financial behavior, financial well-being has also been examined in the context of various demographic groups. Research by (Xiao et al., 2009) indicates that women, particularly those in entrepreneurship, benefit significantly from financial knowledge and corresponding positive financial behaviors. Female entrepreneurs who are well-informed about financial risks and investment options tend to exhibit healthier saving and investment behaviors, resulting in greater financial independence and security. However, financial literacy is not uniformly distributed across populations; studies reveal significant racial/ethnic gaps, with Black and Hispanic individuals often scoring substantially lower than White individuals in objective financial knowledge(Angrisani et al., 2021). Similarly, gender differences persist, with men generally scoring higher than women on objective financial knowledge measures (Blanco et al., 2024). Vulnerable groups, often characterized by lower education, unemployment, and low income, also tend to exhibit lower financial knowledge, behavior, and attitudes(De Beckker et al., 2019). Despite these findings, there remains a scarcity of studies focusing on the specific interactions between various types of financial knowledge and behaviors across diverse populations, particularly among marginalized groups. Understanding these dynamics is crucial for developing tailored financial education programs that address the unique needs of different demographic segments.

Despite the growing interest in the combined effects of financial knowledge and behavior on financial well-being, several research gaps persist. Many existing studies tend to focus on either financial knowledge or financial behavior in isolation, overlooking the complex, dynamic interactions between the two. While some longitudinal studies have begun to explore the evolution of financial literacy and its predictive power for financial outcomes over time (Angrisani et al., 2021), and developmental models integrate knowledge, self-beliefs, and behaviors to explain changes in well-being (Serido et al., 2013), there is still a need for more comprehensive longitudinal research that captures how financial knowledge and behavior evolve and interact over time to impact financial well-being (Birkenmaier et al., 2022). Investigating these gaps will enhance our understanding of how financial knowledge and behavior collectively influence financial well-being, ultimately informing the design of effective interventions aimed at improving financial literacy and behavior across various populations.

Chapter 3: Methodology

3.1. Introduction

This chapter describes the methodology adopted to investigate the relationship between financial knowledge, financial behaviour, and financial well-being among female entrepreneurs in Kampala District. It presents the research design, study population, sampling method, data sources, and procedures for data collection and analysis. The chapter also outlines the measurement and operationalization of variables, validity and reliability procedures, and ethical considerations. These methodological steps were designed to ensure that the data collected are reliable, valid, and appropriate for testing the study hypotheses.

3.2. Research Design

The study employed a cross-sectional survey design under a quantitative research approach. This enabled the collection of data at a point in time to examine relationships among variables. This design allowed for simultaneous, time-efficient, and cost-effective data collection from numerous respondents. The quantitative approach was used because it permits hypothesis testing through analytical techniques such as correlation and regression analysis (Lim, 2025). Quantitative methods also provide objective and measurable insights that facilitate the identification of statistical patterns and relationships (Casula et al., 2021). This ensures empirical rigor and reliable scientific inquiry (Lim, 2025). Given that women entrepreneurs in Kampala are geographically dispersed and demographically diverse, the quantitative design enabled the researcher to generalize findings from a representative sample to the wider population (Casula et al., 2021). While cross-sectional designs are efficient, it is acknowledged that they may limit statements related cause and effect (Maier et al., 2023).

3.3. Study Population

The study targeted female entrepreneurs operating small and medium-sized enterprises (SMEs) in Kampala District, Uganda. This group was chosen because women play an increasingly significant role in entrepreneurship but continue to experience financial vulnerability. The population was derived from the Uganda Women Entrepreneurs Association Limited (UWEAL) register, which listed approximately 850 female-owned enterprises operating across Kampala's five administrative divisions: Central, Nakawa, Makindye, Kawempe, and Rubaga. The inclusion criteria required that respondents (i) be female, (ii) own or co-own an enterprise registered in

Kampala District, and (iii) participate directly in their business's financial decision-making. Entrepreneurs who were male or whose businesses were located outside Kampala were excluded. From this population, a representative sample was drawn using a proportionate stratified random sampling technique, described in Section 3.3.

3.4. Sample Size and Sampling Technique

The appropriate sample size was determined using the Krejcie and Morgan sample size determination table (Krejcie & Morgan, 1970; Sofyani, 2023), which recommends a sample of 265 respondents for a population of 850. This method is widely accepted for calculating a sample size that is representative of a given population (Krejcie & Morgan, 1970), ensuring a 95 percent confidence level with a 5 percent margin of error. Because Kampala is divided into five administrative divisions with varying numbers of female-owned enterprises, the study adopted a proportionate stratified random sampling design. This approach increases sample representativeness by dividing the study population into relevant strata (Howell et al., 2020). Each division constituted a stratum, and the number of respondents selected from each stratum was proportional to that division's share of the total number of female entrepreneurs, thereby balancing overall representativeness (Diaz-Quijano, 2018). This method reduces sampling bias, allows for efficient estimation, and improves the accuracy of results by ensuring adequate sampling of all groups (Howell et al., 2020). Within each division, respondents were randomly selected from the UWEAL membership list using a computer-generated randomization procedure. This further reduced sampling bias and guaranteed that every entrepreneur in the sampling frame had an equal chance of being included.

3.5. Table 3.1: Showing Population and Sample Size

Divisions in Kampala	Population	Proportionate Sample
Central Division	95	30
Nakawa Division	190	59
Makindye Division	185	58
Kawempe Division	195	60
Rubaga Division	185	58
Total	850	265

Source: Primary data

This proportionate allocation ensured balanced representation from all divisions and enhanced the generalizability of the results.

3.6. Data Sources

The study relied on primary data, collected directly from respondents using structured questionnaires. Primary data were chosen because they provide first-hand, real-time, specific, and relevant information tailored to the research objectives to minimize duplication and offer unique insights (Gunawan et al., 2022). Structured questionnaires, used as the tool of data collection are efficient and cost-effective for collecting data. This allowed for standardization and comparison across different groups within the population (Mazikana, 2023) The data formed the empirical basis for analysis, interpretation, and conclusion.

3.7. Data Collection Procedure

Data were collected using self-administered questionnaires distributed to the respondents. The questionnaire consisted of four sections: background of the respondent, financial knowledge, financial behaviour, and financial well-being. All constructs were measured using a five-point Likert scale ranging from 1 to 5. This scale facilitated the quantification of respondents' perceptions by measuring their extent of agreement with each statement. Before the main data collection, a pilot test involving 10 percent of the sample was conducted to ensure clarity and comprehensibility of the questionnaire items. Minor modifications were made based on feedback. Questionnaires were distributed in person and through phone-facilitated follow-ups. Data collection was conducted over a four-week period after obtaining the requisite ethical clearance from Makerere University Business School.

3.8. Measurement of variables

The study utilized established measurement items by earlier researchers to operationalize and measure the variables under the study as indicated in the table below;

Variable	Measurement Components	Literature and support
Financial Knowledge	• Knowledge of Financial Products & Services. • Knowledge of Interest Rates. • Knowledge of Inflation • Knowledge of financial risks	Knoll, M. A., & Houts, C. R. (2012), Tang, N., & Baker, A. (2016).
Financial Behavior	• Saving & investment behavior • Cash Management Behavior • Credit management behavior • Insurance management behavior	Stolper, O. A., & Walter, A. (2017), Tang, N., & Baker, A. (2016).
Financial Wellbeing	• Financial Security • Financial Control • Financial Freedom	Strömbäck, C., Lind, T., Skagerlund, K., Västfjäll, D., & Tinghög, G. (2017),Taft, M. K., Hosein, Z. Z., Mehrizi, S. M. T., & Roshan, A. (2013).

3.9. Realibility

The Cronbach's alpha test was used to test the instruments in order to determine their reliability. The instrument is deemed reliable by Nunnally (1978) if the Cronbach's coefficient is above 0.70. Cronbach α coefficients were computed using SPSS as shown in Table below.

Instrument’s reliability was assessed using Cronbach's alpha, a measure of internal consistency where coefficients exceeding 0.70 are considered reliable, following Nunnally's guideline (Hussey et al., 2025; Peterson, 1994). These coefficients, computed using SPSS, are presented in the table below.

3.10. Table: Reliability Analysis Results

Variable	Cronbach alpha	Number of items
Financial Knowledge	0.786	19
Financial Behavior	0.725	18
Financial Wellbeing	0.701	14

Source: primary data

The results in the table above confirm the reliability of all study variables, as their Cronbach's alpha coefficients consistently exceeded the 0.70 threshold, indicating strong internal consistency in line with Nunnally's guidelines (Hussey et al., 2025).

3.11. Data Processing Analysis

The statistical treatment of the collected primary data involved initial sorting, editing, classification, and coding into a coding sheet. This data was then processed and analyzed using the Statistical Package for Social Sciences version 21.0. Both descriptive and inferential statistics were derived. Correlational analysis was employed to examine measurable relationships between the study variables. Additionally, a Chi-square test assessed independence between categorical variables, and regression analysis determined the predictive power of independent variables on the dependent variable.

3.12. Ethical Considerations

A researcher is required to observe ethical principles when conducting a study. These principles include, among others, the recruitment of respondents voluntarily, being observant of intellectual property and authorship, and ensuring the anonymity and confidentiality of the respondents Adherence to these principles is crucial for protecting human participants and ensuring the integrity of research (Oldendick, 2012; Orimadegun, 2020). Before the data collection exercise, a letter of introduction for the researcher was obtained from Makerere University Business School. This was presented to the respondents for identification and transparency. All the said principles and guidelines included in the Makerere University research Handbook were adhered to. As a researcher, the confidentiality of the respondents was ensured by informing respondents upfront that the information they provide would be solely used for academic purposes and that data obtained on private matters would be treated with confidenc

Chapter 4: Discussion of findings

This chapter presents the study results and their interpretation, including demographic characteristics, descriptive statistics, and correlation and regression analyses. These analyses are guided by the study objectives: to examine the relationship between financial knowledge, and financial well-being among female entrepreneurs in Kampala district; to examine the relationship between financial behavior and financial well-being among female entrepreneurs in Kampala district; and to examine the combined effect of financial knowledge and financial behavior on financial well-being among female entrepreneurs in Kampala district. Furthermore, the chapter discusses these findings in relation to existing literature and theoretical frameworks, offering insights into practical implications and avenues for future research.

4.1. Response rate

A total of 206 responses were obtained from 265 distributed questionnaires, resulting in a response rate of 77.74%. A response rate of 70% or higher is often considered important for ensuring the representativeness and generalizability of study findings (Ericson et al., 2023). While the average response rates in social science research have been reported to be around 68% in 2020 (Holtom et al., 2022) and 51.18% in business and management studies (Taherdoost & Madanchian, 2024), the achieved 77.74% significantly surpasses these benchmarks. Therefore, the achieved response rate is highly satisfactory according to these established benchmarks, significantly enhancing the generalizability and reliability of the study's findings (Taherdoost & Madanchian, 2024).

4.2. Table 4.1: Response Rate

Targeted respondents	Attained respondents	Response rate
265	206	77.7%

Source: Primary Data

4.3. Demographic characteristics of respondents

This section details the demographic characteristics of the study respondents, including age and educational background. Table 4.2 indicates that 50% of respondents were aged 30-40 years, 20.5% were 41-50 years, 19.4% were under 30 years, and 10.2% were over 50 years. This distribution suggests that female-owned enterprises in Kampala are predominantly managed by women in their prime working years, who likely possess the resilience, adaptability, and practical

experience essential for business growth. This demographic is also well-positioned to benefit from targeted financial education programs, potentially enhancing their financial behavior and well-being.

4.3.1. Table 4.2 Showing Respondent Characteristics

Variable N=206	Description	Frequency	Percentage (%)
Age bracket	Less than 30 years	40	19.4
	30 - 40 years	103	50.0
	41 - 50 years	42	20.4
	51 years & above	21	10.2
	Total	206	100.0
Level of education	Diploma	77	37.4
	Undergraduate degree	112	54.4
	Master's degree	13	6.3
	PhD	4	1.9
	Total	206	100.0

Source: Primary data

Furthermore, results indicated that the majority of respondents held a university degree as their highest level of education, followed by those with diplomas, master's degrees, and a minority with PhDs. This suggests that female entrepreneurs in Kampala possess high literacy levels, which enhances the reliability of their survey responses. Moreover, their advanced educational attainment may increase their receptiveness to financial education programs and improve their capacity to apply complex financial concepts, potentially leading to better financial behavior and enhanced financial well-being in their enterprises.

4.4. Characteristics of female owned enterprises

This section presents characteristics of women-owned enterprises in Kampala, focusing on business type and capital base.

The results in Table 4.3 indicate that a majority (52.4%) of female-owned enterprises in Kampala are retail/vendor businesses, followed by manufacturing (21.8%), agricultural (11.7%), educational (8.3%), and logistics firms (5.8%). This distribution suggests a predominance of female entrepreneurs in retail/vendor businesses, likely due to their greater accessibility and lower

startup capital requirements compared to sectors such as manufacturing and logistics. The limited presence in capital-intensive and skill-demanding sectors (e.g., manufacturing, agriculture, and logistics) may point to significant barriers to entry. This underscores the importance of targeted interventions, including financial knowledge programs and behavioral strategies, to enhance the financial well-being of female entrepreneurs.

4.5. Table 4.3: Showing characteristics of female owned enterprise

Variable N=206	Description	Frequency	Percentage (%)
Type of business	Retail/Vendors	108	52.4
	Agriculture	24	11.7
	Logistics	12	5.8
	Education	17	8.3
	Manufacturing	45	21.8
	Total	206	100.0
Capital base	Below 5m	98	47.6
	Btn 5-20m	38	18.4
	Btn 20-50m	33	16.0
	Btn 50-100m	30	14.6
	Above 100m	7	3.4
	Total	206	100.0

Source: Primary data

Table 4.3 further reveals the capital base distribution of female-owned enterprises: 47.6% operate with less than 5 million shillings, 18.4% with 5-20 million, 16% with 20-50 million, 14.6% with 50-100 million, and only 3.4% possess a capital base exceeding 100 million shillings. This indicates that a substantial proportion of female-owned enterprises in Kampala operate with a relatively modest capital base, with nearly half possessing less than 5 million shillings. Such limited financial capacity may impede business expansion and investment, reflecting potential challenges to the entrepreneurs' financial well-being. Consequently, a low capital base highlights the critical role of financial knowledge and improved financial behavior in fostering enhanced financial well-being for these entrepreneurs.

4.6. Descriptive statistics

Table 4.4 presents the descriptive statistics for the dependent variable, financial wellbeing among female entrepreneurs in Kampala district, and the independent variables, financial knowledge and financial behavior. These statistics, including means, standard deviations, and minimum and maximum values, summarize the observed data.

4.7. Table 4.4: Showing descriptive statistics

	N	Min	Max	Mean	Std. Deviation
Knowledge of financial products & services	206	2.17	5.00	3.8317	.67555
Knowledge of Interest Rates	206	2.00	5.00	3.9939	.64081
Knowledge of Inflation	206	2.40	5.00	4.0946	.47467
Knowledge of financial risks	206	2.00	4.75	4.1638	.44466
Financial Knowledge	206	2.26	4.79	4.0033	.41291
Saving & investment behavior	206	2.60	5.00	4.1612	.40874
Cash management behavior	206	2.50	5.00	4.1578	.54155
Credit management behavior	206	2.00	4.60	4.0515	.45163
Insurance management behavior	206	2.00	5.00	4.1675	.46511
Financial Behavior	206	3.17	4.72	4.1313	.34544
Financial Security	206	2.00	4.60	3.9757	.46580
Financial Control	206	2.00	5.00	3.8786	.56457
Financial Freedom	206	2.00	5.00	4.0796	.47971
Financial Wellbeing	206	2.00	4.71	3.9851	.39358
Valid N (listwise)	206				

Source: Primary data

Results in table 4.4 above indicated that the mean values for financial knowledge, financial behavior, and financial wellbeing among female entrepreneurs in Kampala district are 4.003, 4.131 and 3.985 respectively.

The standard deviations for financial knowledge, financial behavior, and financial wellbeing among female entrepreneurs in Kampala district are 0.4129, 0.3454 and 0.3936 respectively. The standard deviation quantifies the dispersion of responses around the mean (Martinez & Bartholomew, 2017). In the context of Likert scale data, small standard deviation values

(specifically, below 1.00 and closer to 0) in relation to the mean indicate limited variability and a higher degree of consensus or uniformity in respondents' opinions (Akiyama et al., 2016). This suggests that the estimated means accurately represent the observed data by demonstrating that responses are tightly clustered around these central values(O'Neill, 2017). A higher standard deviation would typically indicate greater diversity in opinions, whereas the observed low standard deviations signal a strong agreement among participants. On a 5-point Likert scale, the midpoint of 3.00 typically represents a neutral position, such as "Neither Agree nor Disagree" (Kankaraš & Capecchi, 2025). Therefore, mean scores consistently above 3.00 indicate a general tendency towards agreement or a positive inclination towards the measured construct. In this study, all mean values are above 3.00 and all standard deviations are below 1.00, affirming that respondents largely agreed on the importance of financial knowledge and financial behavior in influencing financial well-being among female entrepreneurs in Kampala district.

4.8. Correlation results

4.8.1. Table 4.5: Showing correlation results of the study variables

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Knowledge of financial products & services	1													
Knowledge of Interest Rates	.446**	1												
Knowledge of Inflation	.434**	.276**	1											
Knowledge of financial risks	.243**	.246**	.357**	1										
Financial Knowledge	.848**	.696**	.698**	.540**	1									
Saving & investment behavior	.228**	.276**	.468**	.549**	.472**	1								
Cash management behavior	.312**	.213**	.477**	.461**	.478**	.584**	1							
Credit management behavior	.233**	.173*	.248**	.342**	.327**	.324**	.334**	1						
Insurance management behavior	.241**	.308**	.294**	.402**	.405**	.445**	.468**	.315**	1					
Financial Behavior	.340**	.320**	.498**	.585**	.562**	.783**	.802**	.680**	.723**	1				
Financial Security	.264**	.161*	.386**	.386**	.394**	.497**	.511**	.395**	.510**	.637**	1			
Financial Control	.536**	.510**	.391**	.213**	.609**	.288**	.291**	.235**	.310**	.374**	.302**	1		
Financial Freedom	.430**	.331**	.449**	.350**	.544**	.428**	.483**	.413**	.516**	.613**	.466**	.526**	1	
Financial Wellbeing	.518**	.421**	.519**	.403**	.653**	.514**	.546**	.443**	.567**	.690**	.750**	.766**	.848**	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Primary data

Table 4.5 presents the correlation results. To establish the relationship between the predictor and outcome variables, Pearson correlation analysis was conducted, measuring both the direction and magnitude of their associations.

4.8.2. The relationship between financial knowledge and financial wellbeing

Table 4.5 reveals a positive and significant relationship between financial knowledge and financial well-being among female entrepreneurs in Kampala (r=.653**, p<.01). Specifically, enhanced financial knowledge correlates with improved financial well-being. Moreover, each individual dimension of financial knowledge also demonstrates a positive and significant association with financial well-being. These results collectively affirm the achievement of the study's first objective.

4.8.3. The relationship between financial behavior and financial wellbeing

Table 4.5 similarly indicates a positive and significant relationship between financial behavior and financial well-being among female entrepreneurs in Kampala district (r = .690**, p<.01). This suggests that improved financial behavior is associated with enhanced financial well-being. Additionally, each individual dimension of financial behavior also demonstrates a positive and significant association with financial well-being. These results confirm the achievement of the study's second objective.

4.9. Regression results

Regression analysis assesses the predictive capacity of independent variables on a dependent variable. In this study, a regression model was employed to determine the extent to which financial knowledge and financial behavior predict financial well-being among female entrepreneurs in Kampala district.

4.10. Table 4.6 Showing regression results of the study variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.287	.225		1.271	.205
	Financial Knowledge	.370	.053	.388	7.017	.000
	Financial Behavior	.536	.063	.471	8.512	.000
	$R=.760^a$, $R^2=.578$, Adjusted $R^2=.573$, F=138.092, Sig=.000, e=.25733					
a. Dependent Variable: Financial Wellbeing						

Source: Primary data

The results are presented in Table 4.6. The Adjusted R^2 serves as a crucial indicator of the model's efficacy, representing the proportion of variance in the dependent variable explained by the independent variables, adjusted for the number of predictors.

Table 4.6 reveals that financial knowledge and financial behavior collectively account for 57.3% of the variance in financial well-being among female entrepreneurs in Kampala district, (Adjusted R Square =.573). The remaining 43.7% of the variance is attributable to other unexamined factors. Furthermore, financial behavior (Beta = .471, sig. <.000) emerged as a stronger predictor of financial well-being among female entrepreneurs in Kampala district compared to financial knowledge (Beta = .388, sig. <.000). . Consequently, improving financial behavior, particularly through an emphasis on saving and investment, cash management, credit management, and insurance management behaviors, is essential for enhancing the financial well-being of female entrepreneurs in Kampala district. The regression model was statistically significant (sig. <.000), thereby confirming the achievement of the study's third objective.

Chapter 5: Discussion, conclusions, and recommendations

5.1. Introduction

This chapter presents a detailed discussion of the study's findings, guided by its objectives. It also outlines the conclusions, recommendations, limitations, and areas for further research.

5.2. Discussion of Findings

This study examined the relationships among financial knowledge, financial behavior, and financial well-being, specifically examining their individual and combined effects on financial well-being among female entrepreneurs in the Kampala district. The subsequent discussion details these relationships.

5.2.1. The Relationship Between Financial Knowledge and Financial Wellbeing

The findings revealed a strong positive relationship between financial knowledge and financial well-being among female entrepreneurs in Kampala District ($r=.653^{**}$, $p<.01$). This suggests that improvements in financial knowledge lead to significant enhancements in financial well-being, confirming the hypothesis that financial knowledge is a critical determinant of financial security and stability among female entrepreneurs. These findings align with previous studies that suggest that financial literacy empowers individuals to make informed financial decisions, manage resources efficiently, and ultimately improve their quality of life (Lusardi & Mitchell, 2023). Specifically, financial education has been shown to significantly impact business performance among female entrepreneurs, enhancing their confidence and decision-making abilities, as well as improving financial planning and management skills (Tumba et al., 2022).

In the context of Uganda, particularly Kampala, financial literacy remains a pressing issue, especially among women engaged in entrepreneurial activities (Namawejje & Yawe, 2024).

The ability to assess financial risks is particularly relevant in Uganda, where informal and unpredictable business environments dominate. Female entrepreneurs with risk management knowledge can mitigate potential losses, maintain steady income streams, and achieve financial security for their families. Research indicates that skills-based programs, which often include financial literacy components, significantly improve women's ability to generate income from profitable businesses and reinvest in them, even in challenging environments (Lang & Seither, 2024). Thus, fostering financial knowledge among female entrepreneurs does not only contributes to individual financial well-being but also supports broader socio-economic development goals.

5.2.2. The Relationship Between Financial Behavior and Financial Wellbeing

The study findings reveal a positive and significant relationship between financial behavior and financial well-being among female entrepreneurs in Kampala District. This implies that adopting prudent financial behaviors directly contributes to improvements in financial well-being. Specifically, the individual dimensions of financial behavior—saving and investment behavior, cash management behavior, credit management behavior, and insurance management behavior—are strongly associated with enhanced financial well-being. These results affirm the critical role of financial behavior in fostering economic security and achieving long-term financial stability, consistent with broader research on women entrepreneurs in developing economies (Prabha, 2024).

In Uganda, financial behavior is a key determinant of financial well-being, particularly among women in entrepreneurship. The entrepreneurial environment in Kampala is characterized by a high prevalence of informal businesses, limited access to formal financial services, and unpredictable income flows. For many female entrepreneurs, effective financial behavior becomes the cornerstone of navigating these challenges and ensuring business sustainability (Abdull Rahman et al., 2025). However, structural and cultural barriers often impede the adoption of effective financial habits, such as regular saving or prudent credit use. Saving and investment behavior, for instance, is crucial in a society where access to credit and formal investment opportunities remains constrained. In Kampala, many female entrepreneurs rely on informal savings groups, commonly known as "savings and credit cooperatives", as a means to accumulate capital for reinvestment. While these mechanisms are beneficial, they often lack the safety nets provided by formal financial institutions. Therefore, improving financial behavior by promoting formal saving mechanisms and investments can significantly enhance the financial well-being of these entrepreneurs, as enhanced financial literacy has been shown to improve financial behavior and business performance (Dangcil et al., 2024).

Similarly, cash management behavior plays a vital role in a cash-dominated economy like Uganda. Poor cash flow management often results in financial stress and reduced business viability, particularly for women juggling entrepreneurial and household responsibilities (Mungal, 2014; Nasimiyu, 2023). Female entrepreneurs with strong cash management skills, including cash forecasting and bookkeeping, are better positioned to maintain liquidity, avoid unnecessary expenditures, and allocate resources effectively for business growth (Tumba et al., 2022).

Credit management behavior is another dimension critical to financial well-being. In Kampala, female entrepreneurs frequently face challenges accessing affordable credit due to stringent lending requirements and high interest rates. Consequently, those with sound credit management practices such as timely repayments and avoiding predatory lenders can secure financial stability and build creditworthiness over time, thereby overcoming some of the financial constraints that often create a gender performance gap in business (Ackah et al., 2024).

Finally, insurance management behavior is often neglected in Uganda, yet it remains essential for mitigating risks that could otherwise derail financial progress. Entrepreneurs in Kampala often face challenges such as fire outbreaks and general business riskiness(Kimuli et al., 2022), making insurance a crucial risk management strategy (Dayour et al., 2020).

The findings are consistent with existing literature on the interplay between financial behavior and financial well-being. Scholars such (Xiao et al., 2009) argue that positive financial behaviors are critical in building financial resilience and achieving financial goals. Saving, budgeting, and prudent credit use contribute to reduced financial stress and greater financial satisfaction. Similarly, (Lusardi & Tufano, 2009) Tufano highlight that individuals with effective financial behaviors are more likely to weather financial shocks and maintain stability in the face of economic challenges. In the African context, studies such as (Kansiime et al., 2020) Sebuwufu strengthen the importance of promoting financial behaviors tailored to local socio-economic realities. For example, informal saving mechanisms, although limited, can act as entry points for formal financial inclusion. Other research by . emphasizes the gendered aspects of financial behavior, noting that women face unique hurdles, including limited control over resources and cultural norms that restrict their financial autonomy. Addressing these barriers through financial literacy training can help overcome risk aversion and increase women's willingness to seek external financial support (Ashubwe et al., 2024).

5.2.3. Predictive Capacity of Financial Knowledge and Financial Behavior on Financial Wellbeing

The regression results demonstrated that financial knowledge and financial behavior significantly predict financial well-being among female entrepreneurs in Kampala District. Among the two predictors, financial behavior emerges as a stronger determinant The results align with prior research emphasizing the importance of financial behavior and knowledge in achieving financial

wellbeing. According to (Xiao & O'Neill, 2016), financial behavior is a stronger determinant of financial wellbeing than financial knowledge, as it translates knowledge into actionable practices. This finding is further supported by (Lusardi & Mitchell, 2023), who argue that while financial knowledge forms the foundation for sound decision-making, behavioral execution ultimately determines outcomes. In the African context, studies by (Kansiime et al., 2020) highlight the interplay between financial behavior, financial knowledge, and socioeconomic factors. Sebuwufu's research on Ugandan entrepreneurs indicates that financial well-being depends heavily on daily financial practices, such as saving regularly and avoiding impulsive spending. (Kansiime et al., 2020) add that cultural norms and systemic barriers often hinder women's ability to apply financial knowledge effectively, emphasizing the need for targeted behavioral interventions.

(Huston, 2010) identifies financial behavior as the "actionable" component of financial literacy, emphasizing its direct impact on financial well-being. Similarly, (Joo & Grable, 2004) suggest that financial behaviors like budgeting, saving, and responsible borrowing are critical for mitigating financial stress and achieving stability. The study highlights actionable insights for improving financial well-being among female entrepreneurs in Kampala. Additionally, the stronger predictive power of financial behavior suggests the need for behavioral nudges and incentives. For instance, introducing mobile savings applications, community-based financial training, and credit-scoring systems for informal entrepreneurs can encourage sound financial habits. Financial institutions should also address systemic barriers, such as high transaction costs and limited accessibility, to ensure formal financial products are inclusive and appealing. While financial knowledge and behavior account for a significant portion of the variance in financial wellbeing, the unexplained 42.7% suggests the influence of other factors. These may include macroeconomic conditions, household dynamics, education levels, and social capital. Future research could explore these dimensions to provide a more holistic understanding of financial well-being determinants.

The regression results establish that financial knowledge and financial behavior significantly predict financial well-being among female entrepreneurs in Kampala District. Financial behavior, in particular, emerges as a stronger determinant, emphasizing the importance of translating knowledge into practical, everyday actions. By addressing behavioral gaps and promoting accessible financial education, stakeholders can empower female entrepreneurs to achieve greater

financial stability and resilience, ultimately contributing to broader economic development in Uganda.

5.3. Conclusions

The study concludes that financial knowledge is a critical determinant of financial well-being among female entrepreneurs in Kampala District, significantly enhancing their financial security and stability. The findings emphasize that equipping women with financial literacy enables them to make informed decisions, manage resources effectively, and navigate economic challenges such as inflation and exploitative lending practices. This relationship is particularly relevant in Uganda, where systemic barriers like limited access to financial education and services hinder women's economic empowerment (Ashubwe et al., 2024). By addressing these gaps, targeted financial literacy initiatives can empower female entrepreneurs, fostering individual financial independence and contributing to broader socio-economic development.

Furthermore, the study concludes that financial behavior significantly influences financial well-being among female entrepreneurs in Kampala District, emphasizing its critical role in fostering financial stability and resilience. Prudent behaviors such as saving, effective cash management, responsible credit use, and risk mitigation through insurance directly enhance financial security and business viability. However, systemic barriers, including limited access to formal financial services and cultural constraints (Ashubwe et al., 2024), impede the adoption of these practices. Informal financial mechanisms, while accessible, often present limitations in terms of stability and growth potential compared to their formal counterparts(Abaho et al., 2022). Addressing these challenges through tailored financial literacy programs, mentorship, and inclusive financial policies is essential. Promoting positive financial behaviors not only empowers individual entrepreneurs but also supports broader socio-economic development by strengthening the entrepreneurial sector in Uganda.

The study also concludes that financial knowledge and financial behavior are significant predictors of financial well-being among female entrepreneurs in Kampala District, with financial behavior emerging as the stronger determinant. This highlights the need to focus on practical financial habits, such as saving, cash management, credit management, and insurance adoption, to enhance financial stability. These behaviors are particularly critical in Uganda's economic context, characterized by a predominance of informal businesses, limited access to formal financial services, and cultural constraints (Ashubwe et al., 2024). Improving financial behavior through

accessible financial education, affordable financial products, and tailored behavioral interventions can address these challenges effectively, as evidenced by successful initiatives leveraging mobile savings and financial management training (Batista et al., 2022). Additionally, strengthening financial knowledge ensures that entrepreneurs make informed decisions, particularly in managing risks and navigating fluctuating economic conditions (Dangcil et al., 2024; Prabha, 2024). The study underscores the need for inclusive policies and programs that promote financial literacy and behavioral change, empowering women to achieve financial independence and contributing to Uganda's socio-economic growth.

5.4. Recommendations

There is a need to develop targeted financial literacy programs to equip women entrepreneurs with essential knowledge on saving, investment, inflation, and credit management. These programs should be accessible through community-based organizations, mobile platforms, and local training centers to overcome barriers like limited education and service accessibility.

There is a need to encourage prudent financial practices such as regular saving, effective budgeting, and responsible credit use through tailored interventions. This can include mentorship programs, savings incentives, and partnerships with financial institutions to create accessible and women-friendly financial products.

5.5. Limitations of the Study

The study employed a quantitative design using closed-ended questions, which restricted the exploration of respondents' perceptions and opinions. This limitation meant that deeper insights into the lived experiences and unique perspectives of female entrepreneurs in Kampala were not fully captured. Future research could benefit from a mixed-methods approach to combine the strengths of both quantitative and qualitative data.

The cross-sectional nature of the study, which collected data at a single point in time, limited the ability to observe changes and trends over extended periods. This design constraint made it difficult to analyze the long-term evolution of financial knowledge, financial behavior, and financial well-being among female entrepreneurs. For instance, factors such as the impact of economic cycles, shifts in government policies, or changes in personal circumstances like household dynamics and business growth could not be fully examined.

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APPENDICES

Questionnaire

Makerere University Business School

Appendix I: Questionnaire for Financial Knowledge, Financial Behavior and Financial Well-Being of Women Entrepreneurs in Kampala District.

Dear Sir/ Madam,

I am pursuing a Master of Business Administration of Makerere University. As one of the requirements for completion, I am undertaking a study on, "**Financial Knowledge, Financial Behavior and Financial Well Being of Women Entrepreneurs in Kampala District.** " This study is purely for academic purposes and all your responses expressed herein will be kept with ultimate confidentiality. You are requested to fill free while filling the questionnaire presented to you. In advance, I thank you so much for your cooperation! If you have any inquiries or additional comments, please use this email abalunywa@mubs.ac.ug to contact the researcher.

SECTION A: CHARACTERISTICS OF RESPONDENTS

In the following questions, you are requested to tick the option that best suits you.

Q1. Type of Business

Retail/Vendors	Agriculture	Logistics	Education	Manufacturing

Q2. Age bracket

<30 yrs	30-40 yrs	41-50 yrs	51and above

Q3. Specify your education level

Diploma	Undergraduate Degree	Master's degree	PHD

Q4. For how long have you been doing that Business?

<2 yrs	Between 2-4 yrs	Between 5-7 yrs	8 yrs & above

Q5. Capital Base

Below 5m	Btn 5-20m	Btn 20-50m	Btn 50-100m	Above 100m

SECTION B:

Under this section, the researcher is interested in ascertaining your knowledge regarding aspects of **Financial Knowledge, Financial Behavior, and Financial Well Being of Women entrepreneurs in Kampala District.** You are required to respond to the statements provided using the Key provided. Key: 1-Strongly Disagree (SD), 2- Disagree (D), 3- Not Sure (NS), 4- Agree (A) and 5 represents Strongly Agree (SA).

CODE	STATEMENTS	SD	D	NS	A	SA
	FINANCIAL KNOWLEDGE					
KFP	Knowledge of Financial Products & Services					
KFP1	I am familiar with the different types of bank products	1	2	3	4	5
KFP2	I know when to use the different bank products	1	2	3	4	5
KFP3	I know when to borrow from the bank	1	2	3	4	5
KFP4	I know when to borrow from a micro-financial institution	1	2	3	4	5
KFP5	I have used the different services of financial institution	1	2	3	4	5
KFP6	I review the different financial product options before making decisions	1	2	3	4	5
KIR	Knowledge of Interest Rates					
KIR1	I understand how interest rates on loans and credit cards work	1	2	3	4	5
KIR2	I am familiar with the different types of interest rates offered by financial institutions.	1	2	3	4	5
KIR3	I regularly monitor changes in interest rates	1	2	3	4	5

KIR4	I negotiate interest rates with a lender for my business loans	1	2	3	4	5
KOF	Knowledge of Inflation					
KOF 1	I understand how inflation affects the purchasing power of my business's revenue and profits	1	2	3	4	5
KOF 2	I regularly adjust my business pricing strategy to account for inflation.	1	2	3	4	5
KOF 3	I am aware of the ways inflation influences the cost of raw materials and other inputs in business.	1	2	3	4	5
KOF 4	I take inflation rates into account when planning for my business's long-term financial goals.	1	2	3	4	5
KOF 4	I have strategies in place to protect my business from the negative effects of high inflation	1	2	3	4	5
KFR	Knowledge of financial risks					
KFR1	I understand the different types of financial risks	1	2	3	4	5
KFR2	I regularly assess and manage the financial risks associated with my business operations.	1	2	3	4	5
KFR3	I have a risk management plan in place to mitigate potential financial losses in my business	1	2	3	4	5
KFR4	I am aware of how economic changes, can pose financial risks to my business.	1	2	3	4	5
	FINANCIAL BEHAVIOR					
SIB	Saving & investment behavior					
SIB1	I regularly set aside a portion of my business’s revenue for savings and future investments.	1	2	3	4	5
SIB2	I have a well-defined investment strategy that aligns with my business goals and risk tolerance.	1	2	3	4	5
SIB3	I actively seek out opportunities to diversify my investments to minimize risk.	1	2	3	4	5
SIB4	I regularly review my savings and investment plans	1	2	3	4	5

Thank you so much for your time!

SIB5	I prioritize investments that offer long-term growth.	1	2	3	4	5
CMB	Cash Management Behavior					
CMB 1	I maintain a detailed and up-to-date cash flow forecast	1	2	3	4	5
CMB 2	I regularly review and adjust my business's cash reserves	1	2	3	4	5
CMB 3	I implement strategies to optimize accounts	1	2	3	4	5
CMB 4	I have a plan in place to handle cash flow fluctuations.	1	2	3	4	5
CGB	Credit management behavior					
CGB 1	I regularly review my credit reports to ensure that my business credit is accurate and in good standing.	1	2	3	4	5
CGB 2	I have a clear strategy for managing and repaying business debt	1	2	3	4	5
CGB 3	I maintain open communication with creditors to negotiate favorable terms	1	2	3	4	5
CGB 4	I use credit responsibly by ensuring that I only borrow what is necessary	1	2	3	4	5
CGB 5	I regularly assess and manage my business's credit utilization	1	2	3	4	5
IMB	Insurance management behavior					
IMB1	I have secured adequate insurance coverage to protect my business	1	2	3	4	5
IMB2	I regularly review and update my business insurance policies	1	2	3	4	5
IMB3	I am knowledgeable about the different types of business insurance	1	2	3	4	5
IMB4	I have a clear understanding of how to file an insurance claim	1	2	3	4	5
	FINANCIAL WELLBEING					
FSW	Financial Security					

FSW 1	My business's savings strategies provide long-term financial security.	1	2	3	4	5
FSW 2	I have an emergency fund to cover unexpected financial challenges	1	2	3	4	5
FSW 3	I regularly assess the financial health of my business.	1	2	3	4	5
FSW 4	I invest in financial education and resources to improve my business's financial stability.	1	2	3	4	5
FSW 5	I feel prepared for future financial challenges	1	2	3	4	5
FCW	Financial Control					
FCW 1	I maintain accurate and up-to-date financial records	1	2	3	4	5
FCW 2	I regularly set financial goals and track my business's progress	1	2	3	4	5
FCW 3	I review and analyze my business's financial reports	1	2	3	4	5
FCW 4	I have established clear financial policies and controls	1	2	3	4	5
FFW	Financial Freedom					
FFW 1	I feel empowered to make financial decisions without relying on external sources of funding or credit.	1	2	3	4	5
FFW 2	My business generates sufficient income to support both my personal financial goals and business growth	1	2	3	4	5
FFW 3	I am actively working towards financial independence.	1	2	3	4	5
FFW 4	I feel secure in my ability to manage my financial future.	1	2	3	4	5
FFW 4	Achieving financial freedom is a priority for me	1	2	3	4	5