

MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

FINANCIAL LITERACY, PERSONALITY CAPABILITIES AND FINANCIAL WELL-BEING AMONGST SECONDARY SCHOOL TEACHERS IN MBARARA CITY

BY

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October, 2024

PLAN A

DECLARATION

I declare that this study is my original work, any external sources that were utilized have been properly cited and acknowledged.

Signature .....Date: 30.10.2024.....

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APPROVAL

This dissertation has been supervised and approved, it fulfills the requirements for the Master of Business Administration degree of Makerere University.

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DEDICATION

This is dedicated to Humphrey, Harry, Travis, Betty, Melinda, Trevor, Joshua, Nyakato, Nyangoma, Pearl, Pauline and Boris, may you draw inspiration from my academic paths and soar to achieve more than I have.

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ABSTRACT

This study examines the effect of financial literacy and personality capabilities on the financial well-being of secondary school teachers in Mbarara City. This research aims to determine the extent to which these factors contribute to teachers' financial stability and satisfaction. A quantitative cross-sectional survey design was used to collect data from 212 teachers through self-administered questionnaires. Correlation and regression analyzes were conducted to examine the relationships between financial literacy, personality capabilities, and financial well-being. Age was included as a control variable in the regression model.

The results indicate that both financial literacy ($\beta = 0.516$, $p < 0.001$) and personality capabilities ($\beta = 0.557$, $p < 0.001$) have significant positive effects on financial well-being. The adjusted R-square value of 0.268 suggests that approximately 26.8% of the variance in financial well-being is explained by these factors combined. The findings align with existing empirical studies and the Life-Cycle Hypothesis theory, highlighting the importance of financial education and personal management skills in promoting financial health.

The study's reliance on self-reported data may introduce biases, and its focus on teachers in Mbarara City limits the generalizability of the findings. Future research should consider objective measures of financial literacy and well-being and expand the scope to include diverse regions and professional groups. Despite these limitations, the study underscores the need for comprehensive financial education programs and personal management skills training for teachers. Such initiatives can significantly enhance their financial stability and overall well-being.

This study contributes to the understanding of how financial literacy and personality capabilities jointly influence financial well-being among teachers. It provides evidence-based insights that can inform policies and interventions aimed at improving financial health in the education sector.

CHAPTER ONE

BACKGROUND

1.1 Introduction

This chapter presents the background, articulates the problem statement, and defines the research objectives.

1.2 Background of the Study

Throughout various stages of life, individuals face numerous financial decisions, from simple budgeting to complex investments, with success often depending on alignment with their financial stability and satisfaction (Lee et al., 2020). Financial well-being, a multifaceted concept, encompasses the ability to manage daily finances, recover from setbacks, and seize wealth-building opportunities, playing a vital role in life satisfaction and personal stability. Although financial literacy—comprehending concepts such as interest, inflation, and investment timing—is essential (Klapper & Lusardi, 2020), attaining financial well-being also depends on a combination of knowledge, skills, and behavioral aspects (Limbu & Sato, 2019).

The concept of financial well-being involves the proficiency to navigate daily financial operations, the resilience to recover from economic setbacks, and the capacity to capitalize on wealth-building avenues (Parker et al., 2016). It integrates effective financial management practices, including budget adherence, punctual bill settlements, strategic financial planning, maintaining robust savings, acquiring suitable insurance, and securing favorable credit ratings (Weida et al., 2020). Subjective financial well-being is defined by an individual's own assessment of their present and anticipated financial status, as well as their confidence in meeting predetermined financial goals. This aspect is acknowledged as a vital influence on overall well-being(Iannello *et al.*, 2021).

Financial literacy involves understanding basic financial concepts such as calculating interest, recognizing the effects of inflation, and appreciating the importance of timing in financial growth. This knowledge is directly associated with improved financial well-being (Klapper & Lusardi, 2020). Studies suggest that financial literacy is not the sole factor in achieving financial well-being for educators. Other influences, like feeling in control of your finances, your money mindset, and how you manage your money, may also play a role. This challenges the idea that simply teaching financial literacy is enough to significantly improve financial health (Fu, 2020; Lone & Bhat, 2022). Essential for educators, financial literacy, including understanding financial concepts and numeracy, is identified as a cornerstone for effective financial behaviour (Iriani *et al.*, 2021).

While financial literacy is undoubtedly important, it is not a complete solution for achieving financial well-being. Research indicates that financial competence—the practical application of financial knowledge in everyday situations—is a more significant predictor of financial health than knowledge alone (Dewi et al., 2020). This distinction underscores the necessity for practical skills and behaviors that enable individuals to effectively manage their financial circumstances. Additionally, the ability to set long-term financial goals and plan for the future is closely linked to financial satisfaction (Farida et al., 2021). However, impulsive financial decisions can hinder sound financial management, highlighting the need for a balance between immediate gratification and long-term planning (Morris et al., 2023).

Financial well-being is a universal concern that affects individuals' quality of life across the globe. It encompasses the ability to meet current and ongoing financial obligations, the capacity to make choices that allow individuals to enjoy life, and the confidence in managing financial resources effectively. Globally, financial well-being has gained increasing attention,

particularly as economic uncertainties, rising living costs, and disparities in income continue to challenge personal financial stability (Lusardi & Mitchell, 2021).

Research indicates that financial literacy plays a crucial role in fostering financial well-being. Individuals with a strong understanding of financial concepts—such as budgeting, saving, investing, and managing debt—tend to experience better financial outcomes and higher overall life satisfaction (Klapper & Lusardi, 2020). Moreover, the importance of financial competence, which refers to the practical application of financial knowledge in everyday situations, is increasingly recognized as a critical factor in achieving financial stability (Dewi et al., 2020).

In the context of Uganda, the challenges related to financial well-being are pronounced. Many Ugandans face economic constraints, including high levels of poverty, limited access to financial services, and inadequate financial literacy. A significant portion of the population lacks the knowledge and skills necessary to make informed financial decisions, which can lead to increased vulnerability to economic shocks (Brixiova et al., 2020). The educational sector in Uganda, particularly, reflects these broader economic challenges. Teachers, who are essential to the nation's development, often struggle with low salaries, which hinders their ability to manage personal finances effectively. This situation creates a cycle of financial stress that not only affects their well-being but also their capacity to provide quality education.

Mbarara City, a major urban center in Uganda, highlights the financial challenges faced by educators. Teachers in Mbarara often struggle with financial instability, as their compensation falls short of covering the rising cost of living. According to reports, many educators are unable to meet their basic needs, save for the future or invest in opportunities that could improve their long-term financial security (Shikalepo, 2020).

Given the critical role that teachers play in shaping future generations, understanding their financial well-being is essential. There is a pressing need to explore how financial literacy and competence influence teachers' financial health in Mbarara City.

1.2. Statement of the Problem

Despite their invaluable role in shaping young minds, secondary school teachers in Mbarara City continue to face severe financial challenges all year round. Many struggle to pay bills, manage financial shocks, and care for their families. The majority live in constant financial crisis, burdened by ever-increasing debt and continuous borrowing from financial institutions (MOES, 2023; TISSA report, 2013).

This financial strain stems from inadequate salaries, which are insufficient to cover basic needs and the rising cost of living. The high debt load not only threatens teachers' financial security but also affects their mental and physical well-being, motivation, and classroom effectiveness. Even when the teachers have sought for alternative sources of income, such as operating retail shops, riding motorcycles, or offering private tutoring, their situation has not got any better. (Mbarara City's District Inspector of school's report, 2022; Agira, 2019).

Development partners such as UNESCO, UNICEF, the World Bank, the Belgian government, and the Ugandan government also put in place initiatives aimed at supporting education (NDP III, 2021/2025), but teachers in Mbarara City continue to struggle with meeting their financial obligations. While studies in developed economies often link financial well-being to factors like financial literacy and personality traits, little research has been done to explore how these factors affect teachers in Mbarara City.

This gap highlights the need for further study. If financial instability among teachers is not addressed, it could exacerbate the rising attrition rate, which has increased from 4.5% in 2012

to 9% in 2022 (MOES, 2022; UNESCO, 2023). This trend could ultimately undermine the quality of education and threaten Mbarara City's vision for self-sustainability, emphasizing the importance of examining these issues in the local context.

1.3 Purpose of the Study

The purpose of this study is to examine the relationship between financial literacy, personality capabilities and financial wellbeing amongst secondary school teachers in Mbarara city.

1.4 Research Objectives

i. To examine the relationship between financial literacy and financial well-being of secondary school Teachers in Mbarara City.
ii. To examine the relationship between personality capabilities and financial well-being of secondary school Teachers in Mbarara City.
iii. To establish the combined contribution of financial literacy and personality capabilities on financial well-being of secondary school Teachers in Mbarara City.

1.5 Research Questions

i. What is the relationship between financial literacy and financial well-being of secondary school Teachers in Mbarara City?
ii. What is the relationship between personality capabilities and financial well-being of secondary school Teachers in Mbarara City?
iii. What is the combined contribution of financial literacy and personality capabilities on financial well-being of secondary school Teachers in Mbarara City?

1.6 Scope of the Study

1.6.1 Conceptual scope

This study sought to investigate the influence of personality capabilities and financial literacy on financial well-being so that they are understood empirically and theoretically.

1.6.2 Geographical scope

The physical setting for this study was Mbarara city. This location is representative of the larger Western Uganda region because it harbors the largest number of secondary schools in the region (Mbarara City report, 2023).

1.6.3 Time scope

The study was structured at a single moment in the teaching-life of the teachers and therefore was within one specific period. This was within the second school term running from May – July 2024.

1.7 Significance of the study

The findings from this study will help the management teams of schools to reassess their management practices and design appropriate strategies for improving financial well-being of the Teachers.

The study findings will also guide policy makers such as the Government in designing policies on how to improve financial well-being of Teachers.

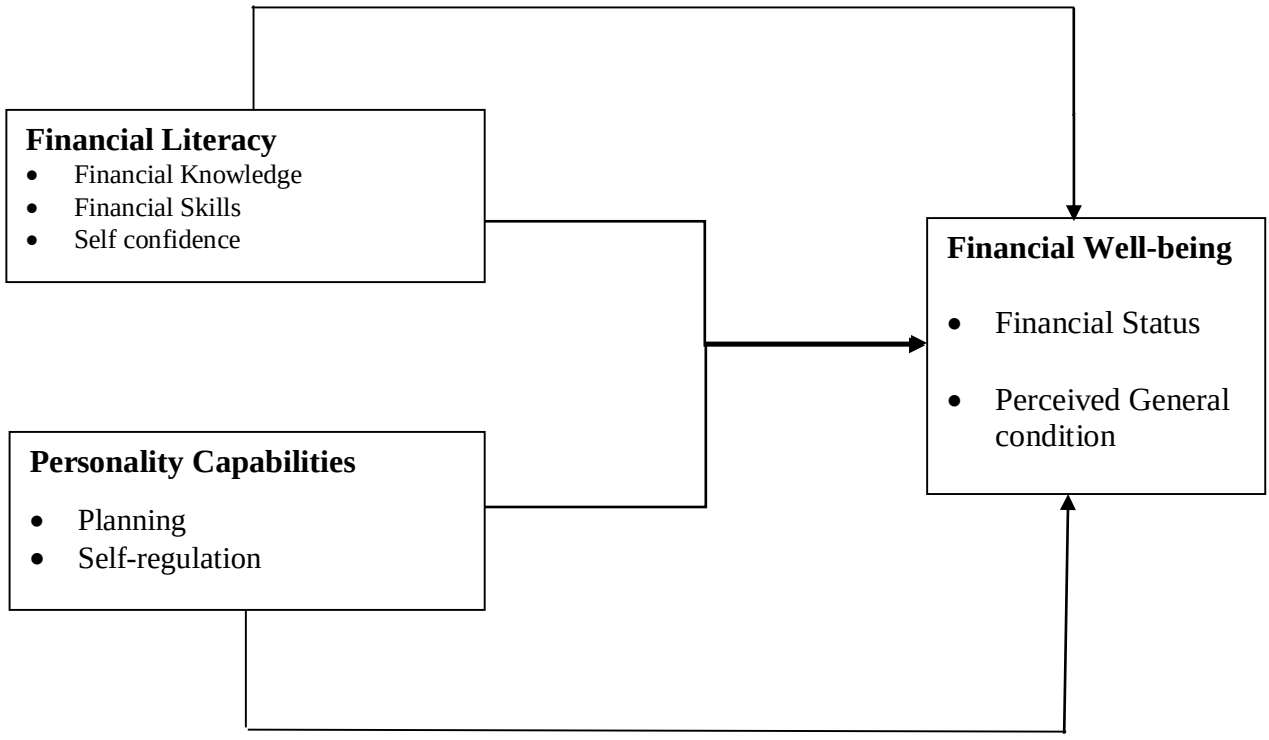
The study findings will be used by scholars and academicians as a source of reference for further research.

The findings of this study will act as a source of reference in further studies and spark off further research in financial decision making.

1.8 Conceptual framework

The conceptual model showed that the independent variables; Financial Literacy conceptualized as financial knowledge, financial skills and self-confidence (OECD, 2019b; Curley *et al.*, 2013; Sherraden, 2013) and personality capabilities in terms of Planning, self-regulation (Lusardi and Mitchell, 2011) predict financial well-being as the dependent variable measured indicated by; financial status and perceived general condition with (Dolan et al., 2008; Netemeyer et al., 2018; Bruggen *et al.*, 2017). Furthermore, personality capabilities and financial literacy combined predict financial well-being of the teachers.

Figure 1: Conceptual Framework



Source*: Review of extant literature (OECD, 2019b; Curley et al., 2013; Sherraden, 2013; Lusardi and Mitchell, 2011; Dolan et al., 2008; Netemeyer et al., 2018; Bruggen et al., 2017)*

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter examined how financial literacy, personality capabilities, and financial well-being are interconnected.

2.1 Theoretical Review

This research utilized the Life-Cycle Hypothesis (LCH), initially introduced by Modigliani and Blumberg in 1954, as a theoretical framework to analyze financial literacy and its implications on savings and consumption behaviors, especially among educators. The LCH offers a microeconomic perspective, emphasizing how individuals allocate their earnings and expenditures over their lifetime to maintain a consistent level of satisfaction (Modigliani & Blumberg, 1954). Central to this hypothesis is the assumption that individuals possess foundational financial literacy skills—such as understanding savings, budgeting, and financial planning—that enable them to make informed decisions about their financial well-being (Lučić et al., 2023).

In the context of teachers, the LCH suggests that their financial behavior is shaped by their ability to effectively balance present consumption needs with future financial goals, which is closely linked to their level of financial literacy (Dhlembeu et al., 2022). Teachers, like many professionals, often face the challenge of aligning their income with their desired standard of living. When faced with income instability—due to factors such as economic recessions, job insecurity, or fluctuations in the education sector—teachers may tend to overspend in an attempt to maintain their quality of life. This behavior can lead to reliance on borrowing to close the gap between current consumption and income (Sakyi-Nyarko et al., 2022; Yang et al., 2023).

On the other hand, when teachers' income exceeds their immediate needs, they have the opportunity to save for the future. Financial literacy plays a crucial role in this process, enabling teachers to make informed decisions about saving and investing their surplus earnings for long-term financial security (Choi, 2022; Petpairote, 2023). The LCH underscores the importance of forward-looking financial planning, particularly for educators, whose financial well-being may be impacted by their future earning potential and retirement needs.

Moreover, the LCH aligns with the notion that personality traits—such as discipline, self-control, and risk tolerance—are vital in shaping teachers' financial behavior. Teachers who are financially literate and possess these personality capabilities are better equipped to navigate the complexities of managing their finances, ensuring they save and invest adequately to support their future consumption needs (Ankrah Twumasi et al., 2022).

Given the income uncertainties often experienced in the teaching profession, the LCH highlights the importance of proactive saving and financial management. It advises educators to save during their working years to establish a financial cushion that will help them sustain their quality of life during retirement, a period when earning opportunities diminish, and the need for financial stability increases (Anvari-Clark & Ansong, 2022; da Silva et al., 2021). Through this lens, the LCH provides a comprehensive framework for understanding how financial literacy and personality traits contribute to teachers' savings and consumption patterns throughout their lives.

2.2 Financial Literacy

The importance of financial literacy in contemporary society cannot be overstated. It is essential for helping individuals manage the ever more intricate financial environment, make well-informed choices, and engage actively in civic activities. A need for such knowledge and skills has been accentuated by shifts in employment patterns, the advent of sophisticated

financial products like crypto currencies, inflationary pressures, and challenges posed by climate change. The 2020 OECD Recommendation on Financial Literacy underscores the pivotal role of financial literacy in enhancing personal and societal financial wellbeing, defining it as "the acquisition of knowledge, understanding of financial concepts and risks, and the development of skills and attitudes to utilize such insights effectively for financial decision making, thereby enhancing individual and collective economic prosperity" (OECD, 2019b).

The discourse surrounding financial literacy traditionally centers on its impact on students' knowledge and welfare. However, its relevance extends beyond this demographic, potentially benefiting educators as well. Gibson *et al.* (2021) explore the possibility of high school financial education programs influencing not just students but also their parents, highlighting the broader implications of financial literacy initiatives.

Educational settings are key for delivering financial education to teachers, similarly to how workplaces serve as significant environments for adult financial learning, a practice supported by the OECD in its Policy Handbook on Financial Education in the Workplace (OECD, 2022b). There are numerous reasons for integrating financial education into workplace settings(Andriamahery & Qamruzzaman, 2022). Employers stand to gain from such initiatives, as evidenced by findings from Klapper and Lusardi (2020), who point to significant global concerns regarding the prevailing low levels of financial literacy, as documented in surveys conducted over the years (NCFE, 2015; ANZ, 2015; OECD, 2017). This underscores the critical need for targeted financial education efforts to bolster financial literacy and, by extension, financial wellbeing across different segments of the population.

2.3 Personality capabilities

Personality capabilities, particularly planning and self-regulation, are essential for personal and professional success. These capabilities are key aspects of self-management, affecting how

individuals set goals, monitor progress, and adjust behaviors. Planning involves setting goals, identifying necessary steps, and effectively organizing resources and time, requiring foresight, organization, and strategic thinking. Studies by Locke and Latham (2020) and Claessens et al. (2007) show that strong planning skills lead to better time and resource management and improved performance.

Self-regulation involves controlling thoughts, emotions, and behaviors to achieve long-term goals, including processes like self-monitoring, self-evaluation, and self-reinforcement. Effective self-regulation requires resisting short-term temptations, with impulse control playing a crucial role in maintaining focus, as highlighted by Baumeister, Vohs, and Tice (2007). Emotional regulation is also critical, with strategies such as cognitive reappraisal and expressive suppression help to maintain stability and resilience, according to Gross (2015).

Planning and self-regulation are interdependent, reinforcing each other. Effective planning provides a roadmap for achieving goals, while self-regulation ensures adherence to this plan despite challenges. (Zimmerman, 2000) found that individuals excelling in both planning and self-regulation are more likely to achieve their goals and experience higher performance and satisfaction. These capabilities are fundamental to personality and significantly impact personal and professional success.

2.4 Financial Wellbeing

Financial well-being encompasses the ability to manage daily financial decisions, cope with economic downturns, and capitalize on opportunities to increase wealth (Klapper & Lusardi, 2020). This multifaceted concept involves both objective financial circumstances, such as adhering to a budget, making timely bill payments, engaging in strategic financial planning, accumulating savings, securing appropriate insurance, and maintaining high credit scores, and

subjective experiences of financial security and satisfaction (Goyal & Kumar, 2021; Hasan *et al.*, 2021).

Fundamentally, financial well-being represents a condition in which individuals experience control over their financial circumstances, enabling them to indulge in life's pleasures without jeopardizing their financial security (Sehrawat *et al.*, 2021). It's a condition marked not only by the adequacy of financial resources but also by the effective management of these resources to achieve a satisfying financial state. Additionally, financial well-being incorporates individuals' perceptions of their current and future financial status and their confidence in meeting financial goals (Iramani & Lutfi, 2021). These subjective assessments are pivotal to overall life satisfaction, highlighting the intrinsic link between financial health and personal well-being (Mahdzan *et al.*, 2020; Nanda & Banerjee, 2021)

2.5 Financial Literacy and Financial Well-Being.

The relationship between financial literacy and financial well-being has been extensively studied, highlighting its intricate nature. Although financial literacy significantly influences financial well-being, its effect is frequently moderated by various factors such as financial behavior, attitudes, and socio-economic conditions (Chia et al., 2023; Lund, 2022; Malek et al., 2022).

Research has emphasized that financial behaviors and attitudes, rather than financial knowledge alone, play a significant role in influencing financial health (Bartholomae & Fox, 2021; Junça Silva & Dias, 2023). Sehrawat et al., (2021) reinforced this perspective by showing that financial behavior is a strong predictor of financial well-being among employees in both the public and private sectors in India. Similarly, studies have consistently demonstrated that higher financial literacy is associated with improved financial well-being, though this

relationship is affected by various behavioral, cognitive, and socio-economic factors (Gladstone & Barrett, 2023; Sabri et al., 2022).

Mahendru *et al.* (2022) developed a conceptual model positing that financial behavior and socio-economic factors are pivotal in achieving financial well-being, with financial attitudes and psychological factors significantly influencing financial behaviors beyond mere knowledge. This model is supported by Bhatia and Singh (2023) who found perceived income security and unemployment to significantly affect financial health of young adults in India.

Details on financial literacy's impact on behavior and decision-making are further elaborated in studies by Amagir *et al.* (2020) and (Bapat, 2020), which underline the importance of both knowledge and confidence as predictors of financial behavior. This relationship is crucial in understanding investment decisions and behaviors, where financial literacy both directly and indirectly influences intentions and actions

Furthermore, the dichotomy between objective and subjective financial knowledge and their respective impacts on financial behavior has been a topic of significant discussion. While both types of knowledge influence financial decisions, subjective knowledge, or self-assessed understanding, often has a more pronounced effect (Hwang & Park, 2023; Netemeyer *et al.*, 2024).

The relationship between financial literacy and financial well-being is complex and influenced by more than just financial knowledge. Research indicates that financial behavior, rather than knowledge alone, plays a key role in shaping financial health, with socio-economic factors like income security also having a significant impact. Financial attitudes and psychological factors further influence financial behaviors, highlighting the importance of both objective knowledge and subjective confidence in decision-making. While financial literacy is important, its overall

effect on financial well-being is moderated by behavioral, cognitive, and socio-economic elements.

2.6 Personality Capabilities and Financial Well-Being.

Factors such as strategic planning, family support, and sound personal financial practices are paramount in determining an individual's financial health, particularly with respect to retirement savings. The challenge of preserving one's lifestyle in retirement without sufficient savings is pronounced. Research conducted by López León (2023) underscores that many older Americans face a shortfall in retirement savings, accentuating the necessity for meticulous planning and implementation of savings strategies. Furthermore, financial literacy emerges as a critical skill for retirement planning, with a significant portion of the population lacking these essential competencies, thereby jeopardizing their financial future (Escalante, 2023; Jordaan, 2020).

The issue of inadequate retirement preparation transcends borders, affecting nations such as Uganda where preparation for retirement is noticeably lacking (Lilley, 2020). The insufficiency of social security benefits to provide a comfortable retirement income highlights the importance of active financial planning and savings.

Financial planning, which involves evaluating one's present financial status against future objectives, is crucial for mitigating financial unpredictability (Chenet *et al.*, 2021). According to Nanda and Banerjee (2021), the strategic organization of finances in preparation for future exigencies is essential for attaining sustained financial health. With the transition to defined contribution pension schemes in Uganda, the importance of diligent retirement planning for optimizing financial security in retirement is further magnified.

Additionally, the influence of financial behavior on financial health cannot be overstated. Financial health can be gauged both objectively, via indicators such as income and assets, and subjectively, through perceptions of financial satisfaction (Nanda & Banerjee, 2021).

Therefore, fostering positive financial behaviors is crucial for enhancing overall financial health (Kass-Hanna *et al.,* 2022). Financial behavior is often acquired through familial influence, observed and learned through direct engagement in financial dealings (Khawar & Sarwar, 2021).

The income level, for instance, of educators, directly affects their financial well-being(Sabri *et al.,* 2020). Individuals with higher incomes within families frequently assume the financial burden of supporting extended family members, potentially depleting their finances if dependent solely on their salary (Bhutta *et al.,* 2023). Research indicates that higher income levels are associated with reduced financial stress, increased participation in financial management, stronger family bonds, and enhanced physical and mental well-being (Munisamy *et al.*, 2022; Nomaguchi & Milkie, 2020). Conversely, the Consumer Financial Protection Bureau (CFPB, 2015) posits that financial well-being is not solely income-dependent; individuals with modest incomes can achieve substantial financial well-being, whereas higher earners may not necessarily feel financially secure (Abibah & Widyastuti, 2023). This reveals that financial well-being is a broad spectrum, ranging from acute financial distress to profound satisfaction with one's financial status, and is not exclusively determined by one's income.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The methods and methodology followed in the study is explained in detail in this chapter

3.2 Research Design

This research utilized a cross-sectional design complemented by a survey methodology to investigate the research questions. The rationale for selecting a survey-based approach lied in its capacity to efficiently gather comprehensive data from a broad population economically. Such methodology enables the quantitative collection of data amenable to inferential statistical analysis. Cross-sectional designs are advantageous for their economic efficiency in data collection at a singular temporal point, essential for the uniform timing of data acquisition critical to objective analysis.

3.3 Study Population

The target population consisted of the teaching staff at 25 secondary schools within the city. According to the Mbarara City Council (2022) and corroborated by Ashaba (2022), these schools collectively employ 775 teaching Staff.

3.4 Sample Size and sampling techniques

To ensure a representative sample of teachers in Mbarara City, this study employed a stratified random sampling approach. The target population consists of approximately 775 teachers across 25 secondary schools, as indicated by the Mbarara City Council (2022) and corroborated by Ashaba (2022). According to the sample size table by Krejcie and Morgan (1970), a total of 258 teachers were included in the study. To account for the potential differences between government-aided and private schools, stratified sampling was used. The schools were divided into two strata: government-aided schools and private schools. The stratification was done

using the schools list in the District Education report of 2022 (DEO, 2022). This stratification ensured that teachers from both types of schools have a fair chance of being selected. The respondents formed the unit of inquiry and the Unit of analysis. Within each stratum, simple random sampling was employed to select the participating teachers. This two-stage approach allows for a representative sample that captures the experiences and perspectives of teachers across the diverse school landscape in Mbarara City. A breakdown of the sample is shown below;

Table 1: Sample size estimation

Strata	**Population**	**Sample**	**Percentage of Sample**
Teachers in Private Schools	558	186	72%
Teachers in Government aided Schools	217	72	28%
Total	**775**	**258**	**100**

Source: Author's computation

3.5 Sources of Data

Primary data was gathered through a self-administered questionnaire, which was structured and close-ended, employing a 5-point Likert scale for responses. This method was chosen to mitigate response style bias, which can occur independently of the question content, as noted by Rogers (2003) and Herk et al., (2004).

3.6 Data Collection Instrument

The questionnaire was organized into distinct sections, each dedicated to a specific variable under investigation. These sections encompassed Background Information, Financial Literacy,

Personality Capabilities, and Financial Well-being. The questionnaire was adopted from the previous scholars Covaleski *et al.* (2006)) that studied the variables in isolation.

3.7 Validity and reliability

In this study, the concept of validity was split into two categories: internal and external. To ensure the instruments' accuracy, the study drew upon the critical assessments of experienced supervisors from the participating schools. These professionals were asked to scrutinize the questionnaires for their relevance to the study's objectives before their application in the field. Furthermore, their insights were sought on the appropriateness and applicability of each question. Following this preliminary evaluation, the instruments' validity was formally quantified employing the Content Validity Index formula, maintaining rigorous adherence to established methodological standards (Oso & Onen, 2008).

$$CVI = \frac{\text{No. of items rated relevant}}{\text{Total no. of items}}$$

Reliability

To ensure the consistency of our data collection instruments, a pilot study was conducted at a selected school outside the City. This school was chosen because it reflects the environmental conditions of the participating schools. The pilot study involved administering the instruments twice to assess their reliability. The study then utilized SPSS software to calculate Cronbach's Alpha Reliability Coefficient (CARC) and compare the results of the two tests. A reliability coefficient exceeding 0.7 indicates a strong instrument, according to Sekaran (2003).

Variables	CVI	Cronbach Alpha
Financial well being	0.78	0.75
Financial literacy	0.8	0.88
Personality capabilities	0.87	0.78

3.8 Measurement of variables

The study employed a trio of measurement scales to assess the variables: nominal, ordinal, and Likert scales. The nominal scale categorized variables by name, such as the sex and marital status of participants. The ordinal scale, on the other hand, evaluated variables that have a natural order, including the age of respondents, their educational attainment, and the duration of their tenure at the chosen schools in Mbarara City, utilizing structured questions for this purpose. More so, a modified form of OECD INFE 2011questionniaire was used for the measurement of financial literacy, personal capabilities and financial wellbeing of teachers. The study uses qualitative measures against quantitative indicators of financial wellbeing in order to understand the Subjective nature of Financial Well-being of teachers.

Remaining questions were used to measure the responses for financial literacy, personality capabilities and financial wellbeing.

Table 3.1: Variable Measurement

Variable	Indicators	Scholars	Scale
Financial literacy	• Financial Knowledge • Financial Skills • Self confidence	OECD, 2019b; Curley *et al.*, 2013; Sherraden, 2013; Lusardi and Kramer, 2016).	Strongly agree =5 Agree = 4, Not sure =3 Disagree =2, and Strongly Disagree =1.
Personality capabilities	• Planning • Self-regulation	Lusardi and Mitchell (2011), Gumbo and Sandada (2018), Lusardi & Mitchell, 2014).	Strongly agree =5 Agree = 4, Not sure =3 Disagree =2, and Strongly Disagree =1.
Financial Well-being	• Financial status • Perceived general condition	(Dolan et al., 2008; Netemeyer et al., 2018; Bruggen *et al.*, 2017)	Strongly agree =5 Agree = 4, Not sure =3 Disagree =2, and Strongly Disagree =1.

3.9 Ethical considerations

This research prioritized ethical considerations throughout the process. Participation was voluntary, ensuring individuals chose to engage freely without pressure and coercion.

To protect respondent privacy, confidentiality was maintained for all information provided. Additionally, anonymity was guaranteed, allowing participants to feel comfortable and forthcoming with their responses. We clearly communicated that the data collected would be used solely for academic purposes. The questionnaire was designed to be clear and understandable. We avoided overly complex or ambiguous language to ensure participants comprehend the questions and provide accurate answers. Furthermore, the questionnaire was written in neutral English, accessible to all participants, to gather reliable and relevant data aligned with the research objectives.

The investigator acquired an introductory letter from Makerere University Business School, which formally introduced them to the selected schools within the City. This letter clearly stated that the purpose of the forthcoming data collection is strictly for academic research. With this authorization in hand, the researcher was set to begin the data collection phase, initially distributing questionnaires to the staff members of the designated schools in the City, ensuring all participants are informed of the study's academic nature.

3.10 Data analysis

The study's statistical analysis was conducted using the robust capabilities of the Statistical Package for Social Scientists (SPSS), engaging both descriptive and inferential statistics for a comprehensive examination of the data. In addressing descriptive statistics, the research harnessed measures of central tendency and dispersion: means were calculated to represent central tendency, whereas dispersion was depicted through an array of frequencies, percentages, and standard deviations, painting a detailed picture of the data’s distribution. On the front of inferential statistics, the research set to apply correlation and regression analyses. Pearson correlation coefficients was calculated to probe into the dynamics between paired variables, while regression analysis was utilized to quantify the strength and nature of these relationships, offering insight into how one variable may predict or affect another.

The researcher used multiple linear regression analysis mainly to predict the value of financial well-being based on the values of other variables

The multiple regression was used to confirm the results obtained from the analysis and aimed to test the influence of demographic variables on financial well-being as well as the relationship with one another.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter probes into the research by first introducing the participants and their defining characteristics. It then progresses to an analysis of the connections between variables, particularly how the independent variables affect the dependent variable

4.2 Response rate

The study aimed to involve 258 teachers, categorized into two groups: private schools and government schools. However, only 212 questionnaires were returned, resulting in an 82% response rate. This response rate, derived from the ratio of returned questionnaires to the target sample size, is notably high for self-administered surveys, which often experience lower participation rates (Wu et al., 2022). The high engagement rate can be credited to the researcher's proactive approach, which included introducing the study via WhatsApp messages and phone calls, clearly explaining the objectives and assuring confidentiality. Data collection took place over two months, from May to July 2024, allowing sufficient time for participants to complete the survey.

4.3 Description of respondents

The description of respondents was based on their demographics and overview of the participants' backgrounds, including variables such as age, gender, educational level, and teaching experience. This analysis is crucial for understanding the diverse profiles of the respondents and their potential influence on the study's outcomes.

Table 4.1: Demographics of respondents

Variable	Category	Frequency	Percent
Age Bracket	Below 25	13	6.1
	25-35	92	43.4
	36-45	74	34.9
	Above 45	33	15.6
	Total	***212***	***100.0***
Gender	Male	95	44.8
	Female	117	55.2
	Total	***212***	***100.0***
Marital Status	Single	90	42.5
	married	112	52.8
	Divorced	10	4.7
	Total	***212***	***100.0***
Highest level of Education	Diploma	21	9.9
	Bachelors	178	84.0
	Masters	13	6.1
	Total	***212***	***100.0***
Number of years in the school	Less than 2 years	16	7.5
	2 - 5 years	103	48.6
	6 - 9 years	23	10.8
	More than 9 years	70	33.0
	Total	***212***	***100.0***
Alternative source of income	Farming	152	71.7
	Trade & Industry	41	19.3
	Other services	19	9.0
	Total	***212***	***100.0***
Teaching in more than 1 school	No	13	6.1
	Yes	199	93.9
	Total	***212***	***100.0***

Source*: Primary Data 2024*

The demographic characteristics of the participants in the study titled "Financial Literacy, Personality Capabilities, and Financial Well-Being Amongst Secondary School Teachers in Mbarara City" reveal significant insights into the diverse profiles of the respondents. The age distribution shows that the majority of teachers fall within the 25-35 age bracket (43.4%),

followed by those aged 36-45 (34.9%). This suggests a predominantly young to middle-aged workforce, which could influence their financial literacy and well-being due to their stage in career development and life responsibilities. Only a small fraction of participants are below 25 years (6.1%) and above 45 years (15.6%), indicating a lower representation of very young and older teachers.

Gender analysis shows a slight female majority, with 55.2% of respondents being female and 44.8% being male. This gender distribution might affect the study's findings on financial well-being and personality capabilities, considering potential gender differences in financial literacy and economic behavior. Marital status data shows that a slight majority are married (52.8%), followed by those not yet married (42.5%), and a small percentage are divorced (4.7%). Marital status can have a profound impact on financial well-being, as married individuals might have different financial responsibilities and support systems compared to their unmarried or divorced counterparts.

In terms of educational attainment, the vast majority of teachers hold a Bachelor's degree (84%), with smaller proportions holding a Diploma (9.9%) or a Master's degree (6.1%). Higher education levels are typically associated with better financial literacy, suggesting that most participants are likely to have a good understanding of financial concepts. The duration of employment at their current school varies, with nearly half of the respondents (48.6%) having worked between 2-5 years. A significant portion has over 9 years of experience (33%), which may correlate with greater job stability and potentially better financial well-being.

Regarding alternative sources of income, a substantial majority of teachers (71.7%) engage in farming, highlighting a common practice of supplementing income through agriculture. Others are involved in trade and industry (19.3%) or other services (9%), indicating diverse economic

activities beyond teaching. This diversification of income sources could influence their financial well-being and risk management strategies.

The data shows that a large proportion of teachers (93.9%) teach in more than one school, which may reflect the need to augment their income, possibly due to insufficient earnings from a single teaching job. This high level of employment in multiple schools could have implications for their financial stress and overall well-being.

4.3 Correlation Analysis

To explore potential relationships between the study variables, the study employed a Spearman correlation analysis. This non-parametric test generates a coefficient ranging from -1 to +1 that reflects the strength and direction of association between variables. The detailed results of this analysis are shown in the table below.

Table 2.2: Spearman rank Correlation matrix

	1	2	3	4	5	6	7	8	9	10
Financial Knowledge (1)	1.000									
Financial Skills (2)	.181**	1.000								
Self-confidence (3)	-.050	.235**	1.000							
Financial literacy (4)	**.523****	**.722****	**.644****	**1.000**						
Planning (5)	-.034	.076	.382**	.259**	1.000					
Self-Regulation (6)	.024	.345**	.278**	.394**	.315**	1.000				
Personality capabilities (7)	**-.004**	**.256****	**.413****	**.404****	**.810****	**.784****	**1.000**			
Financial status (8)	-.041	.031	.371**	.188**	.252**	.297**	.352**	1.000		
Perceived General Condition (9)	.011	-.041	.123	.059	.493**	.175*	.404**	.360**	1.000	
Financial wellbeing (10)	**-.014**	**-.010**	**.286****	**.143***	**.454****	**.297****	**.469****	**.807****	**.823****	**1.000**

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

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

4.3.1 Financial Literacy and Financial Well-Being

The correlation results in table 4.2 reveal a significant positive association between financial literacy and financial well-being among secondary school teachers in Mbarara City. The financial literacy composite, which includes financial knowledge, financial skills, and self-confidence, shows a positive correlation with financial well-being ($r = .143$, $p < .05$). This indicates that teachers who possess higher levels of financial literacy tend to report better financial well-being. Specifically, financial knowledge ($r = .523$, $p < .01$) and financial skills ($r = .722$, $p < .01$) exhibit strong correlations with financial literacy, indicating possible strong affiliation to overall financial well-being.

4.3.2 Personality Capabilities and Financial Well-Being

Personality capabilities, including planning, self-regulation, and overall personality capability, also demonstrates a positive and significant relationship with financial well-being. The composite measure of personality capabilities shows a positive correlation with financial well-being ($r = .469$, $p < .01$). Particularly, the planning component and self-regulation are strongly linked to personality capabilities, which in turn is positively connected to financial well-being. These results imply that teachers who exhibit strong personality capabilities, such as effective planning and self-regulation, are more likely to experience better financial outcomes.

4.4 Regression analysis

To further explore relationships between study variables, regression analysis was performed to test for causality. The intention was to isolate the effect of each independent variable on financial well-being while controlling for the other independent variable. Age was included in the model as a control variable to account for its empirically and theoretically known impact on both the dependent and independent variables. The results of this analysis are shown below:

Table 4.3: Regression Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.093	.282		7.412	.000		
Age	.005	.029	.011	.186	.853	.999	1.001
Personality Capabilities	**.516**	.058	.557	8.845	.000	.875	1.143
Financial Literacy	**.478**	.055	.516	8.707	.000	.876	1.142

R Square = .278

Adjusted R Square = **.268**

F-Statistic = 26.758

Sig. F = 0.000

Durbin-Watson = 2.059

a. Dependent Variable: Financial Wellbeing

4.5 Regression analysis

The regression model indicates that financial literacy has a significant positive influence on the financial well-being of teachers in Mbarara City. The standardized coefficient for financial literacy is 0.516, with a t-value of 8.707 and a p-value of 0.000, confirming the statistical significance of this relationship. This suggests that as teachers' financial literacy increases, their financial well-being also improves. The positive beta value indicates that better financial knowledge and skills directly contribute to enhanced financial stability and satisfaction among teachers. This finding underscores the importance of financial education and training programs in improving the financial health of educators.

Personality capabilities also exhibit a strong positive effect on financial well-being. The standardized coefficient for personal capabilities is 0.557, with a t-value of 8.845 and a p-value of 0.000, highlighting a significant relationship. This indicates that teachers who possess strong

personality capabilities, such as effective planning and self-regulation, experience higher levels of financial well-being. The positive association suggests that personal management skills enable teachers to make better financial decisions, manage their resources effectively, and reduce financial stress. These capabilities are crucial for achieving financial stability and improving overall quality of life.

4.6 Joint Contribution of Financial Literacy and Personality Capabilities on Financial Well-Being

The combined effect of financial literacy and personality capabilities on financial well-being is substantial, as evidenced by the model's adjusted R-squared value of 0.268. This shows that approximately 26.8% of the variation in financial well-being among teachers in Mbarara City can be explained by their level of financial literacy and personality skills. The F-statistic of 26.758 with a significance level of 0.000 further confirms that the regression model is highly significant and the predictors jointly contribute to financial well-being.

The Durbin-Watson statistic of 2.059 indicates that there is no autocorrelation in the residuals, confirming the reliability of the model. These results highlight the critical role of financial literacy and personality capabilities in improving teachers' financial well-being and suggest that interventions aimed at improving these areas can have a significant impact on their financial health.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter synthesizes the key takeaways from the research, including findings from the Spearman correlation analysis to explore variable relationships and the regression analysis to assess potential causal effects.

5.2 Discussion of results

This study centered on three core questions that aimed to explain the connections between factors influencing teacher well-being (independent variables) and well-being itself (dependent variable). To achieve this, the research employed correlation and regression analyses to quantify the strength and significance of these relationships.

5.2.1 Financial literacy and financial well-being of Teachers

The regression results reveal a significant positive relationship between financial literacy and the financial well-being of teachers in Mbarara City. Financial literacy, which includes components such as financial knowledge, financial skills, and self-confidence, has a standardized coefficient of 0.516, indicating a strong influence on financial well-being. This suggests that teachers who are more knowledgeable about financial matters, possess better financial management skills, and have greater confidence in their financial decisions tend to experience higher levels of financial well-being.

The correlation analysis provides an insight into the associations between financial literacy and its indicators with financial well-being. Financial knowledge, financial skills, and self-confidence all show significant positive correlations with financial literacy. These strong associations indicate that each component of financial literacy contributes meaningfully to the overall financial well-being of teachers. The regression analysis confirms that these elements,

when combined, have a substantial impact on financial well-being, aligning with the correlation findings.

These findings align with the Life-Cycle Hypothesis (LCH), which suggests that individuals plan their consumption and savings throughout their life to maintain a stable living standard (Modigliani & Brumberg, 1954). Financial literacy facilitates this planning process by equipping individuals with the knowledge and skills needed to make informed decisions about saving, investing, and consumption. As supported by the LCH, financially literate individuals are better able to manage their resources across different life stages, leading to improved financial well-being (Lusardi & Mitchell, 2014).

These findings are also consistent with available empirical studies that highlight the critical role of financial literacy in enhancing financial well-being. Previous research has shown that individuals with higher financial literacy are better at budgeting, saving, and managing debt, leading to improved financial health and reduced financial stress. This study's results align with these conclusions, demonstrating that improved financial literacy among teachers in Mbarara City will significantly enhance their financial well-being.

The correlation analysis further supports these conclusions, as financial knowledge, skills, and self-confidence all show significant positive correlations with financial literacy, reinforcing that each component meaningfully contributes to financial well-being. These findings are consistent with previous empirical studies under the LCH framework. For instance, Behrman et al. (2012) found that individuals with higher financial literacy exhibit better retirement planning and financial security, consistent with the notion that financial literacy enhances long-term financial well-being. Similarly, Lusardi and Tufano (2009) demonstrated that individuals with strong financial literacy are more capable of managing debt and avoiding financial distress, which leads to improved financial health and less financial stress.

In line with this, the results of this study show that financial literacy is a crucial determinant of financial well-being, particularly among teachers in Mbarara City. By reinforcing the connection between financial literacy and financial well-being through the lens of the LCH theory, this study highlights the importance of financial education in empowering individuals to make sound financial decisions throughout their life cycle, thereby improving their overall financial health and reducing financial vulnerability.

5.2.2 Personality capabilities and financial well-being of Teachers

The regression analysis reveals a significant positive relationship between personality capability and the financial well-being amongst teachers in Mbarara City. Personality capabilities, which includes elements such as planning, self-regulation, and overall personal management skills, exhibits a standardized coefficient of 0.557, indicating a strong influence on financial well-being. These findings suggest that teachers with higher personality capabilities are better equipped to manage their financial resources, leading to enhanced financial well-being.

The correlation analysis illuminates the relationship between personality capabilities and its components with financial well-being. Planning and self-regulation show strong positive correlations with financial well-being. These associations indicate that teachers who are proficient in planning and self-regulation are more likely to experience financial stability and satisfaction. The regression results confirm that these elements of personality capabilities collectively have a significant power on financial well-being, aligning with the correlation findings.

Better still, the relationship between personality capabilities and financial well-being is anchored in the Life-Cycle Hypothesis (LCH) theory. Personality capabilities play a critical role in an individual's planning for consumption and saving, enabling individuals to make

informed decisions about financial planning and resource management. The positive relationship observed in this study between personality capabilities and financial well-being can be understood through this theory, as teachers who are adept at planning and self-regulation are better prepared to manage their financial resources effectively throughout their life cycle.

Previous studies offer empirical support for this relationship under the LCH theory for instance, Lusardi and Mitchell (2011) found that individuals with strong planning skills were more likely to engage in retirement planning and savings, leading to greater financial security. Similarly, Hershey et al. (2007) demonstrated that self-regulation and future-oriented thinking play critical roles in financial preparation, which enhances long-term financial well-being. These studies are consistent with the findings of this research, which show that teachers in Mbarara City with strong personality capabilities, particularly in planning and self-regulation, experience enhanced financial well-being.

5.2.3 Joint contribution of financial literacy and personality capabilities on financial well-being

The study's findings demonstrate a significant combined contribution of financial literacy and personality capabilities to the financial well-being of teachers in Mbarara City. With an adjusted R-square value of 0.268, the model indicates that these two factors explain approximately 26.8% of the variance in financial well-being. This suggests that financial literacy and personality capabilities are critical determinants of teachers' financial outcomes. The F-statistic of 26.758, with a p-value of 0.000, further confirms the statistical significance of the model, underscoring the meaningful influence of these predictors on financial well-being.

These results align with key insights from the Life-Cycle Hypothesis (LCH), originally proposed by Modigliani and Brumberg (1954), which emphasizes the importance of planning

and foresight in financial behavior across different stages of life. Specifically, the LCH posits that individuals strive to balance consumption and savings to maintain a stable standard of living throughout their lifetime. Financial literacy plays a crucial role in equipping individuals with the knowledge and skills to make informed decisions about savings, investment, and consumption, particularly during periods of fluctuating income. This study's finding that teachers with higher financial literacy experience better financial well-being echoes Modigliani and Brumberg's notion that individuals who plan and manage their finances effectively are better positioned to maintain financial stability over time.

Furthermore, the study's emphasis on personality capabilities, such as planning and self-regulation, mirrors findings from studies building on the LCH framework. For example, Lusardi and Mitchell (2007) found that financial knowledge combined with forward-looking behavior contributes to more effective financial management, particularly in planning for retirement. Similarly, Anvari-Clark and Ansong (2022) emphasized that personality traits like self-discipline and the ability to delay gratification play a key role in achieving long-term financial goals, in line with the LCH's assumption that individuals optimize their consumption over their lifetime. The current study's identification of the positive impact of personality capabilities on financial well-being reinforces these insights, suggesting that teachers who possess these traits are better equipped to implement financial strategies that promote stability and reduce financial stress.

In sum, the study's findings offer empirical support for the Life-Cycle Hypothesis by demonstrating that financial literacy and personality capabilities work in tandem to influence teachers' financial well-being. Both financial knowledge and the personal discipline to apply that knowledge effectively are essential for managing income fluctuations and preparing for future financial needs. This underscores the value of integrating financial education with

programs aimed at enhancing personal management skills to support long-term financial security, particularly within the teaching profession.

From a broader theoretical perspective, the relationship between financial literacy and personality capabilities reflects an evolving understanding of financial behavior, where knowledge and personal attributes are increasingly recognized as complementary forces. Traditional economic models, such as the Life-Cycle Hypothesis (LCH), focus primarily on rational decision-making, where individuals are assumed to optimize their savings and consumption based on anticipated income over their lifetime. However, the integration of personality capabilities introduces a behavioral dimension to this model, acknowledging that financial decisions are not solely driven by knowledge but also by self-regulation, foresight, and resilience—traits critical for navigating financial challenges.

Empirical evidence consistently highlights the interplay between financial literacy and personality traits. Studies suggest that while financial literacy provides individuals with the knowledge necessary for making informed financial choices, personal capabilities such as self-control, conscientiousness, and future-oriented thinking enable individuals to implement and adhere to those decisions effectively. This study reinforces that narrative, demonstrating that teachers with both strong financial literacy and robust personality traits experience greater financial well-being. Their ability to apply financial knowledge is amplified by personal discipline, allowing them to plan, save, and manage their resources in a way that reduces financial stress and increases long-term stability.

Critically, these findings prompt a deeper exploration of the individual contributions and synergies between these factors. While financial literacy enhances teachers' capacity to understand and navigate complex financial products, regulations, and risks, it is the application of personality capabilities that determines whether this knowledge translates into consistent

financial behaviors. For example, a teacher may be well-versed in financial planning, but without the ability to control impulses, delay gratification, or prioritize long-term financial goals over immediate desires, that knowledge may remain underutilized. Similarly, strong personality capabilities without financial literacy might result in disciplined behaviors but poor financial decisions due to a lack of understanding of critical concepts like interest rates, investment strategies, or retirement planning.

This broader theoretical framing also draws attention to the limits of focusing on either factor in isolation. Programs aimed at improving financial literacy alone may not yield the desired improvements in financial well-being if individuals lack the personal capabilities to apply that knowledge consistently. However, efforts to cultivate personality capabilities like self-control and conscientiousness may fall short if individuals are not equipped with the financial knowledge necessary to make sound decisions. Thus, the synergy between financial literacy and personality capabilities emerges as crucial, with both factors reinforcing each other to enhance financial outcomes.

Moreover, the study's alignment with the Life-Cycle Hypothesis (LCH) suggests that teachers, much like other professionals, face the challenge of maintaining financial stability across different stages of their careers. The LCH underscores the importance of planning and managing resources over time to ensure a stable standard of living throughout life. Financial literacy empowers teachers with the tools to engage in long-term planning, such as saving for retirement or managing debt, while personality capabilities provide the psychological foundation to implement these strategies effectively.

With these findings, the study advocates for a more holistic approach to improving financial well-being. Financial education initiatives should be paired with interventions designed to strengthen personality capabilities, ensuring that individuals are not only equipped with

financial knowledge but also with the personal tools to apply that knowledge in a disciplined, forward-looking manner. This dual focus on knowledge and behavior has the potential to foster more resilient financial habits, ultimately enhancing the financial well-being of teachers and other professionals alike.

5.3 Conclusions

This study provides strong evidence that financial literacy plays a pivotal role in empowering teachers in Mbarara City to achieve financial well-being. The positive and significant relationship between financial literacy and financial well-being suggests that teachers with a solid grasp of financial knowledge, skills, and confidence are far better equipped to manage their finances effectively. This is further supported by the significant regression coefficient and strong correlations between financial literacy indicators and financial outcomes. These findings emphasize the importance of tailored financial education programs for educators. By equipping teachers with essential financial knowledge, these initiatives can contribute to enhanced financial stability, reduced stress, and ultimately, greater job satisfaction, as the data suggests that teachers with higher financial literacy report experiencing fewer financial difficulties.

The study also highlights the critical role of personality capabilities—such as planning and self-regulation—in achieving financial well-being. The significant positive association between these traits and financial health demonstrates that teachers with strong personal management skills are better positioned to maintain financial stability. Those who can plan and exercise self-control are more likely to make informed financial decisions, which in turn leads to better financial outcomes. This underscores the necessity of developing personal management skills alongside financial literacy. Programs designed to enhance these capabilities can empower teachers to manage resources more effectively and secure a stronger financial future.

Furthermore, the study reveals that the combined impact of financial literacy and personality capabilities has a profound effect on financial well-being. The adjusted R-square value and significant F-statistic demonstrate that these two factors, when considered together, explain a substantial portion of the variation in financial well-being scores. This finding emphasizes the importance of a holistic approach that addresses both financial education and personal management skills. Interventions targeting both areas can lead to significant improvements in teachers' financial security, as well as reduced stress and higher job satisfaction.

In conclusion, this study not only highlights the critical role of financial literacy and personality capabilities but also calls for urgent action to implement interventions that focus on both aspects. Addressing financial literacy without reinforcing personality capabilities could limit the effectiveness of any financial education initiative. To fully empower teachers and promote long-term financial security, stakeholders in education and policy must prioritize integrated programs that enhance both financial knowledge and personal management skills. Such an approach will not only improve teachers' financial well-being but also contribute to a more stable and satisfied workforce, ultimately benefiting the broader educational system.

5.4 Limitations and Recommendations for Future Research

This study acknowledges several limitations that future research could address to enhance the understanding of the relationships between financial literacy, personality capabilities, and financial well-being.

Self-Reported Data: The study relies on self-reported data, which can be prone to biases such as social desirability or inaccurate self-assessment. Respondents may either overestimate or underestimate their financial knowledge, skills, or well-being, potentially skewing the results. To address this, future research could incorporate more objective measures. For example, standardized financial literacy tests—such as the Financial Literacy and Education

Commission’s (FLEC) assessment or the OECD's Programme for International Student Assessment (PISA) financial literacy tests—could offer a more accurate evaluation of financial knowledge. Similarly, financial well-being could be measured using actual financial records, such as credit scores, savings rates, debt-to-income ratios, or retirement contributions, which would provide concrete data on participants' financial behaviors and outcomes. These objective indicators would help validate self-reported data and improve the reliability of the findings.

Generalizability: The study’s focus on teachers in Mbarara City limits the generalizability of its findings to other regions or professions. The socio-economic and cultural context unique to Mbarara City may influence the results, making them less applicable to different settings. Future research could broaden the scope by including a more diverse sample of teachers from various regions, including urban and rural areas, or by comparing different professional groups such as healthcare workers or civil servants. This comparative approach could determine whether the observed relationships between financial literacy, personality capabilities, and financial well-being are consistent across various demographic and occupational contexts. Expanding the sample would allow for more generalizable conclusions and provide insights into whether certain factors are unique to teachers or Mbarara City's specific environment.

By incorporating objective measures and a broader sample, future studies could provide a more comprehensive and accurate understanding of how financial literacy and personality capabilities contribute to financial well-being across diverse contexts.

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APPENDIX III: RESEARCH QUESTIONNAIRE

MAKERERE UNIVERSITY BUSINESS SCHOOL

GRADUATE AND RESEARCH CENTER

Dear Respondent;

You have been selected to participate in the research about "**Financial literacy, Personality capabilities and Financial Well-being amongst Teachers"** as part of the requirements for the award of Master of Business Administration Degree of Makerere University. I kindly request you to contribute to this study by completing this questionnaire.

The study is purely academic; therefore, all your responses received will be treated with strict confidentiality. The findings and recommendations are intended to benefit policy makers on financial well-being.

SECTION I: (BACKGROUND INFORMATION)

A1 Age Bracket 1) Below 25 ☐ 2) 25 - 35 ☐ 3) 36 – 45 ☐ 4) above 45 ☐

A2 Gender 1) Male ☐ 2) Female ☐

A3 Marital Status 1) Not yet Married ☐ 2) Married ☐ 3) Divorced ☐

A4 Highest level of Education

1. Diploma ☐ 2. Bachelors ☐ 3. Masters ☐

A5 Number of years in the school

1) Less than a year ☐ 2) 1 – 3years ☐ 3) 4 – 5 years ☐ 4) above 5 years ☐

A6. Do you have any alternative source of income?

(1) Farming ☐ (**2)** Trade &Industry ☐ (**3)** Services ☐

A7. Do you teach in more than 1 school?

(1) No ☐ (2) Yes ☐

SECTION B

	Independent variable: Financial Literacy					
Kindly tick the appropriate response from the indicators; SD = Strongly Disagree; D = Strongly Agree; A = Agree; SA = Strongly Agree						
Financial knowledge (FK) Under this section, you are required to give your opinion based on the keys provided**;**						
Code		**SD**	***D***	***NS***	***A***	***SA***
FK1	I am confident in managing a budget with limited resources.					
FK2	I understand the importance of saving part of my salary, despite financial constraints.					
FK3	I am familiar with basic investment options available around me.					
FK5	I know how to apply for small personal loan.					
FK6	I am aware of government-sponsored financial aids for teachers.					
FK7	I feel prepared to handle unexpected financial emergencies					
FK8	I understand the impact of inflation on my savings and spending.					
FK9	I regularly seek information on improving my financial knowledge.					
FK10	I am comfortable discussing financial issues and solutions with my peers.					
FK11	I believe that my financial knowledge positively impacts my teaching and interaction with students.					
	Financial skills					

FS1	I effectively manage my monthly budget to cover all necessary expenses and still save some money.					
FS2	I can negotiate for better prices and discounts					
FS3	I can create a financial plan for long-term goals					
FS4	I regularly review and adjust my financial plans					
FS5	I am proficient in using digital tools for tracking and managing my personal finances.					
FS6	I can effectively teach basic financial concepts to others					
FS7	I am capable of identifying and utilizing available financial resources and support systems in my area.					
Self-confidence						
To what extent are you confident on the following;						
SC1	I feel confident in my ability to lead a classroom and manage diverse student needs.					
SC2	I am confident in my decision-making skills in both professional and personal contexts.					
SC3	I trust in my ability to overcome challenges that arise during my teaching.					
SC4	I feel self-assured when contributing to discussions on teacher welfare.					
SC5	I am confident in my ability to learn and adapt new teaching methods.					
SC6	I believe in my capacity to positively influence and inspire my students and colleagues.					

	Independent variable: PERSONALITY CAPABILITIES

CODE			SD	D	NS	A	S A
	Planning						
PLN1	I regularly set clear financial goals for my personal and household finances.						
PLN2	I am proficient in creating and following a detailed yearly budget and financial plan.						
PLN3	I effectively plan for contingencies to handle unexpected financial situations.						
PLN4	I allocate sufficient time to manage both short-term financial needs and long-term financial planning.						
PLN5	I actively engage in long-term financial planning to achieve my financial stability and retirement goals.						
PLN6	I plan and organize financial activities and investments that contribute to my overall financial well-being.						
SR	**Self-Regulation**						
SR1	I consistently maintain composure when faced with financial challenges or stressful financial situations.						
SR2	I ensure that all my financial responsibilities, such as budgeting and saving, are met efficiently.						
SR3	I effectively avoid impulse spending and stick to my budget						
SR4	I remain focused on my long-term financial goals, even when unexpected expenses or disruptions arise.						
SR5	I regularly reflect on my financial decisions and make necessary adjustments to improve my financial well-being.						
SR6	I manage my emotional responses effectively when facing financial difficulties or unexpected financial setbacks.						

Dependent variable: FINANCIAL WELL-BEING

FST	***Financial Status***	***SD***	***D***	***NS***	***A***	***SA***
FST1	I am satisfied with my current financial situation.					
FST2	I feel secure in my ability to meet my monthly financial obligations					
FST3	I am able to save a portion of my income regularly.					
FST4	My income comfortably covers my lifestyle needs without needing additional debt.					
FST5	I have sufficient funds set aside for emergencies.					
FST6	I am confident in my financial planning for future goals					
PGC	***Perceived general Condition***	***SD***	***D***	***NS***	***A***	***SA***
PGC1	I believe that my overall health is excellent.					
PGC2	I feel that my social relationships are fulfilling and supportive.					
PGC3	I am satisfied with my current living conditions.					
PGC4	I perceive my work environment as positive and conducive to my personal and professional growth.					
PGC5	I feel that I am generally able to handle stress effectively.					

Thank you so much

THE END