

Title

**ANALYZING THE ROLE OF FINANCIAL LITERACY TRAINING PROGRAMMS OF
WOMEN ON THEIR SMALL-SCALE BUSINESS: A CASE STUDY OF CHISAPO
MARKET**

Author

CLERA KAYANGE

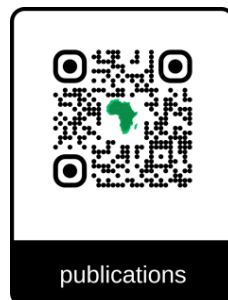
Co-Author

FREEZER JEFUTARA



Issued January 2026 Certificate

AR2026ANB8GJ1



ABSTRACT

Financial literacy has increasingly been recognized as a critical factor in enhancing the sustainability and growth of small-scale businesses, particularly those owned and managed by women. This study analyzes the role of financial literacy training programs in improving the performance of women-owned small-scale businesses at Chisapo Market. The study is motivated by the persistent challenges faced by women entrepreneurs, including limited access to financial knowledge, inadequate record-keeping practices and weak financial decision-making skills, which often constrain business growth and profitability.

The research adopts a case study design, employing both qualitative and quantitative approaches to collect data from women traders operating at Chisapo Market. Primary data were gathered through structured questionnaires, interviews, and observations, while secondary data were obtained from reports, journals, and training program documents. The study assesses key aspects of financial literacy training, including budgeting, credit management, record keeping, and investment planning, and examines their influence on business performance indicators such as profitability, and business sustainability.

Findings reveal that women who participated in financial literacy training programs demonstrated improved financial management skills, better control of business finances, and increased confidence in making financial decisions. The study further indicates that trained women entrepreneurs were more likely to keep financial records, separate personal and business finances, and access formal financial services compared to those who had not received training. The study concludes that financial literacy training

plays a significant role in enhancing the performance and sustainability of women-owned small-scale businesses. It recommends strengthening and expanding financial literacy programs, tailoring training content to the needs of women entrepreneurs, and promoting continuous support mechanisms to foster long-term business growth at Chisapo Market and similar trading environments.

Keywords: Financial literacy, women entrepreneurs, small-scale businesses, financial literacy training programs, business performance

INTRODUCTION

Small-scale businesses play a vital role in economic development by generating employment, reducing poverty, and promoting inclusive growth, particularly in developing economies. Women's participation in small-scale entrepreneurship has increased significantly over recent years, contributing to household income and community development. Despite their growing involvement, women entrepreneurs continue to face numerous challenges that limit the growth and sustainability of their businesses. Among these challenges, limited financial literacy remains one of the most critical constraints affecting women-owned small-scale enterprises. Financial literacy refers to the knowledge and skills required to effectively manage financial resources, including budgeting, saving, borrowing, record keeping, and investment decision-making. For small-scale business owners, especially women, financial literacy is essential for informed financial planning and sound business management. However, many women entrepreneurs operate with minimal formal financial training, often relying on informal practices that hinder accurate assessment of business performance and long-term

sustainability. As a result, many women-owned businesses struggle with poor cash flow management, lack of capital accumulation, and limited access to formal financial services.

Background of the Study

Small-scale businesses are an important driver of economic development, particularly in developing economies where they contribute significantly to employment creation, income generation, and poverty reduction. Women's participation in small-scale business activities has increased over time as a means of improving household livelihoods and achieving economic empowerment. Despite their contribution, women-owned small-scale businesses often operate under challenging conditions that limit their growth and sustainability. One of the major challenges affecting women entrepreneurs is limited financial literacy.

Financial literacy encompasses the knowledge and skills required to manage financial resources effectively, including budgeting, saving, record keeping, credit management, and investment planning. Many women entrepreneurs lack formal financial education and rely on informal financial practices, which often results in poor financial decision-making, inadequate capital management, and difficulties in accessing formal financial services. These challenges negatively affect business performance and long-term sustainability.

To address these issues, various stakeholders such as governments, non-governmental organizations, microfinance institutions, and development agencies have introduced financial literacy training programs aimed at empowering women entrepreneurs. These programs seek to enhance women's financial management

skills, promote savings culture, improve access to credit, and support informed business decision-making. However, the extent to which these training programs translate into improved business performance remains an area requiring further empirical investigation.

Context of the Study

Chisapo Market is a prominent trading center where a large number of women are engaged in small-scale business activities, including the sale of agricultural produce, groceries, clothing, and household goods. These businesses serve as the primary source of income for many households and play a crucial role in the local economy. Despite the market's vibrancy, many women traders face persistent financial management challenges such as poor record keeping, mixing of personal and business finances, limited savings, and reliance on informal credit sources.

Several financial literacy training initiatives have been implemented in and around Chisapo Market by microfinance institutions, non-governmental organizations, and community-based programs. While these initiatives aim to improve financial knowledge and skills among women traders, their effectiveness in enhancing business performance varies. Factors such as low educational levels, time constraints, and limited follow-up support may affect the application of acquired financial knowledge. This context provides a suitable setting for examining the role of financial literacy training programs on women-owned small-scale businesses.

RESEARCH OBJECTIVES

Main Objective

The main objective of this study is to

analyze the role of financial literacy training programs on the performance of women-owned small-scale businesses at Chisapo Market.

Specific Objectives

- To assess the level of financial literacy among women small-scale business owners at Chisapo Market.
- To identify the types of financial literacy training programs available to women entrepreneurs at Chisapo Market.
- To examine the influence of financial literacy training on financial management practices, including budgeting, record keeping, savings, and credit management.
- To evaluate the effect of financial literacy training on business performance indicators such as profitability, capital growth, and business sustainability.
- To identify challenges faced by women entrepreneurs in accessing and applying financial literacy training programs.

LITERATURE REVIEW

Concept of Financial Literacy

Financial literacy has been widely discussed in academic and development literature as a critical component of effective financial decision-making. According to *Lusardi and Mitchell (2014)*, financial literacy refers to the ability to understand and apply basic financial concepts such as budgeting, saving, interest rates, inflation, and risk diversification. For small-scale entrepreneurs, financial literacy extends beyond personal finance to include business-related skills such as record

keeping, cash flow management, credit utilization, and investment planning (*OECD, 2016*).

Studies indicate that low levels of financial literacy are common among small-scale business owners in developing countries, particularly women, due to limited access to education and financial training (*Atkinson & Messy, 2012*). This lack of financial knowledge often leads to poor financial management practices, business inefficiencies, and vulnerability to financial shocks.

Financial Literacy Training Programs

Financial literacy training programs are structured interventions designed to enhance financial knowledge, skills, and behaviors among individuals and business owners. These programs are often implemented by governments, non-governmental organizations, microfinance institutions, and development partners (*World Bank, 2018*). Training content typically includes budgeting, savings mobilization, credit management, record keeping, and basic investment principles.

Several studies have highlighted the effectiveness of financial literacy training in improving financial behavior. *Karlan and Valdivia (2011)* found that micro-entrepreneurs who participated in financial training demonstrated improved record keeping and budgeting practices. Similarly, *Drexler, Fischer, and Schoar (2014)* observed that simplified financial training had a positive impact on business practices and financial discipline among small-scale entrepreneurs.

However, some scholars argue that the impact of financial literacy training depends on program design, delivery methods, and follow-up support. *McKenzie and Woodruff (2014)* noted that short-

term training programs may improve knowledge but do not always lead to sustained improvements in business performance.

Women Entrepreneurship and Financial Literacy

Women entrepreneurship plays a significant role in economic development and poverty reduction. According to *Minniti and Naudé (2010)*, women-owned businesses contribute to employment creation and household welfare but often remain smaller and less profitable compared to male-owned enterprises. One of the key factors contributing to this disparity is limited access to financial knowledge and resources.

Empirical studies suggest that women entrepreneurs generally exhibit lower levels of financial literacy than men due to gender disparities in education, income, and access to financial services (*Lusardi & Tufano, 2015*). As a result, women-owned small-scale businesses are more likely to experience challenges such as inadequate savings, poor credit management, and limited business expansion.

Financial literacy training programs targeted at women have been shown to enhance confidence, financial decision-making, and business management skills. A study by *Giné and Mansuri (2014)* found that women who received financial education were more likely to save regularly and separate personal finances from business finances. These outcomes are critical for improving business sustainability.

Financial Literacy and Small-Scale Business Performance

Business performance in small-scale

enterprises is commonly measured using indicators such as profitability, sales growth, capital accumulation, and business sustainability. Several studies have established a positive relationship between financial literacy and business performance. *Wise (2013)* found that small business owners with higher financial literacy levels were better at managing cash flows and making informed investment decisions, leading to improved business outcomes.

In developing country contexts, financial literacy has been linked to increased access to formal financial services. *Cole, Sampson, and Zia (2011)* demonstrated that financial education significantly increased the use of bank accounts and credit services among small business owners. Access to formal finance, in turn, supports business expansion and stability.

Nevertheless, some studies report mixed results. *Bruhn and Zia (2013)* argue that financial literacy alone may not be sufficient to improve business performance without complementary factors such as access to capital, supportive policies, and market opportunities. This suggests that financial literacy training should be integrated with broader entrepreneurial support initiatives.

Empirical Evidence from Developing Countries and Market-Based Studies

Empirical studies conducted in market-based settings similar to Chisapo Market provide relevant insights. For example, *Klapper, Lusardi, and Panos (2015)* found that informal market traders often rely on informal financial practices, limiting their ability to assess profitability and manage risks. In Sub-Saharan Africa, studies by *Xu and Zia (2012)* reveal that financial literacy levels remain low among women traders, negatively affecting business

growth.

Despite the increasing implementation of financial literacy training programs, there is limited empirical evidence focusing specifically on women traders in localized market settings. Most studies adopt national or regional perspectives, leaving a gap in understanding how financial literacy training affects women-owned small-scale businesses at the community market level. This study seeks to address this gap by focusing on Chisapo Market as a case study.

METHODOLOGY

Research Design

This study adopts a case study research design to analyze the role of financial literacy training programs on the performance of women-owned small-scale businesses at Chisapo Market. The case study approach allows for an in-depth examination of financial literacy training within a specific local market context, enabling a better understanding of the experiences, practices, and outcomes among women entrepreneurs. A mixed-methods approach, incorporating both quantitative and qualitative techniques, is employed to enhance the reliability and depth of the findings.

Study Area

The study was conducted at Chisapo Market, a major trading center characterized by diverse small-scale business activities dominated by women traders. The market hosts enterprises involved in the sale of agricultural produce, groceries, clothing, household goods, and other consumer items. Chisapo Market was selected due to the high concentration of women entrepreneurs and

the presence of financial literacy training initiatives offered by microfinance institutions and development organizations, making it a suitable site for assessing the impact of such programs.

Target Population

The target population for this study comprises women operating small-scale businesses at Chisapo Market. This includes women traders who have participated in financial literacy training programs as well as those who have not. Including both groups allows for comparative analysis of financial practices and business performance. Additional respondents include representatives from organizations providing financial literacy training within the market area.

Sample Size and Sampling Techniques

A sample of women entrepreneurs was selected from the target population using a combination of probability and non-probability sampling techniques. Simple random sampling was used to select women traders to ensure fair representation, while purposive sampling was applied to select key informants such as training facilitators and market leaders. The sample size was determined based on the size of the market population, time constraints, and resource availability, ensuring it was adequate to generate meaningful findings.

Data Collection Methods

Primary data were collected using structured questionnaires, semi-structured interviews, and observation. Questionnaires were administered to women traders to gather quantitative data on financial literacy levels, participation in

training programs, financial management practices, and business performance indicators. Semi-structured interviews were conducted with selected participants and training providers to obtain qualitative insights into the effectiveness and challenges of financial literacy training programs. Observation was used to assess record-keeping practices, business operations, and general market activities.

Secondary data were obtained from books, academic journals, reports, policy documents, and training manuals related to financial literacy, women entrepreneurship, and small-scale business development. These sources provided contextual and theoretical support for the study.

Research Instruments

The main research instruments used in this study were questionnaires and interview guides. The questionnaire consisted of both closed-ended and open-ended questions, structured into sections covering demographic information, financial literacy knowledge, participation in training programs, financial management practices, and business performance. The interview guide was designed to allow flexibility while ensuring that key research objectives were addressed.

Validity and Reliability of Instruments

To ensure validity, the research instruments were reviewed by experts in business and entrepreneurship studies to confirm that the questions were relevant and aligned with the study objectives. A pilot study was conducted with a small group of women traders outside the main sample to test the clarity and appropriateness of the instruments.

Necessary adjustments were made based on feedback. Reliability was enhanced by using consistent data collection procedures and clear instructions for respondents.

Data Analysis Techniques

Quantitative data collected through questionnaires were coded and analyzed using descriptive statistical techniques, such as frequencies, percentages, tables, and charts. These methods were used to assess levels of financial literacy, participation in training programs, and business performance indicators. Qualitative data obtained from interviews were analyzed using thematic analysis, where responses were categorized into themes related to financial literacy training, financial management practices, and business outcomes.

Ethical Considerations

Ethical considerations were strictly observed throughout the research process. Participation in the study was voluntary, and respondents were informed about the purpose of the study. Informed consent was obtained from all participants, and confidentiality of the information provided was ensured. Respondents were assured that the data collected would be used solely for academic purposes and that their identities would not be disclosed.

RESULTS

Demographic Characteristics of Respondents

The study collected data from women operating small-scale businesses at Chisapo Market. The majority of respondents were women within the economically active age group, indicating

that small-scale business activities serve as a key source of livelihood for working-age women. Most respondents were married, while others were single or widowed, suggesting that women engage in entrepreneurship to support household income and family welfare.

In terms of education, findings indicate that a large proportion of respondents had attained primary or secondary education, with very few having post-secondary or tertiary qualifications. This educational background has implications for the level of financial literacy and the ability to understand and apply formal financial management practices. The types of businesses operated by respondents included trading in agricultural produce, groceries, clothing, and household items, reflecting the diverse nature of small-scale enterprises at Chisapo Market.

Level of Financial Literacy among Women Entrepreneurs

Results revealed that the level of financial literacy among women entrepreneurs at Chisapo Market varied significantly. While some respondents demonstrated basic understanding of financial concepts such as budgeting and saving, many exhibited limited knowledge of record keeping, interest calculations, and credit management. A substantial number of women did not maintain proper financial records and relied on memory to track daily transactions.

The findings further showed that women who had participated in financial literacy training programs demonstrated higher levels of financial knowledge compared to those who had not received any training. Trained respondents were more likely to understand the importance of separating personal finances from business finances and had better awareness of savings and loan products offered by financial

institutions.

Participation in Financial Literacy Training Programs

The study found that a considerable proportion of women entrepreneurs at Chisapo Market had participated in at least one financial literacy training program. These programs were mainly provided by microfinance institutions, non-governmental organizations, and community-based organizations. Training topics commonly covered included budgeting, savings, record keeping, and credit management.

However, the results indicated that not all women had access to these training programs. Some respondents reported that they were unaware of available training opportunities, while others cited time constraints and household responsibilities as barriers to participation. The duration and depth of training also varied, with some programs being short-term and lacking follow-up support.

Financial Management Practices of Women-Owned Businesses

The study revealed notable differences in financial management practices between trained and untrained women entrepreneurs. Women who had undergone financial literacy training were more likely to prepare budgets, keep simple financial records, and monitor business expenses and revenues. These respondents also reported improved savings behavior and greater discipline in managing business funds.

In contrast, many untrained women entrepreneurs mixed personal and business finances, did not keep records, and relied on informal methods of managing cash flows. Such practices made it difficult for

them to accurately assess business performance and plan for growth. Overall, the results suggest that financial literacy training positively influences financial management practices among women-owned small-scale businesses.

Effects of Financial Literacy Training on Business Performance

Findings indicate that financial literacy training had a positive effect on business performance among women entrepreneurs at Chisapo Market. Trained respondents reported improvements in profitability, better control of operating costs, and gradual capital growth. These women also demonstrated greater confidence in making financial decisions, such as reinvesting profits and seeking external financing when necessary.

Business sustainability was also higher among women who had received training. These respondents were more likely to continue operating their businesses over time and to withstand financial challenges compared to their untrained counterparts. However, some respondents indicated that while financial literacy training improved management practices, limited access to capital and market competition continued to constrain business growth.

Challenges in Applying Financial Literacy Training

Despite the positive outcomes associated with financial literacy training, respondents reported several challenges in applying the acquired knowledge. These included low levels of formal education, limited time to implement record keeping practices, and inadequate follow-up support after training. Some women also cited cultural and household responsibilities that limited their ability to

fully focus on business management.

Additionally, access to affordable credit remained a major challenge, even for women who demonstrated improved financial literacy. This suggests that financial literacy training alone may not be sufficient to address all barriers faced by women entrepreneurs and should be complemented by supportive financial and policy interventions.

DISCUSSION

This study sought to analyze the role of financial literacy training programs on the performance of women-owned small-scale businesses at Chisapo Market. The discussion interprets the key findings of the study in relation to the research objectives and existing literature on financial literacy, women entrepreneurship, and small-scale business performance.

Financial Literacy Levels among Women Entrepreneurs

The findings revealed that the level of financial literacy among women entrepreneurs at Chisapo Market was generally low, particularly in areas such as record keeping, credit management, and financial planning. This result is consistent with previous studies that report low financial literacy levels among women entrepreneurs in developing economies (*Atkinson & Messy, 2012; Xu & Zia, 2012*). Limited formal education and restricted access to financial training were identified as key factors contributing to low financial literacy, supporting the argument by *Lusardi and Mitchell (2014)* that financial knowledge gaps are more pronounced among women due to systemic educational and economic inequalities.

However, the study also found that women who had participated in financial literacy training programs demonstrated relatively higher financial knowledge compared to those who had not. This suggests that targeted training programs can effectively bridge financial knowledge gaps, particularly at the grassroots market level.

Influence of Financial Literacy Training on Financial Management Practices

The results indicated that financial literacy training had a positive influence on financial management practices among women-owned small-scale businesses. Trained women were more likely to keep basic financial records, prepare budgets, separate business finances from personal finances, and save regularly for business purposes. These findings align with *Karlan and Valdivia (2011)*, who found that financial training improves record keeping and budgeting practices among micro-entrepreneurs. Similarly, *Drexler, Fischer, and Schoar (2014)* emphasized that simplified and practical financial training leads to improved financial discipline and business practices.

The improved financial management practices observed among trained women entrepreneurs suggest that financial literacy training enhances not only financial knowledge but also financial behavior. This supports the behavioral finance perspective, which argues that knowledge alone is insufficient unless it translates into improved financial habits (*OECD, 2016*).

Effect of Financial Literacy Training on Business Performance

The study found that financial literacy training had a positive effect on business

performance indicators such as profitability, capital growth, and business sustainability. Women who received training reported improved control over business expenses, increased savings, and better reinvestment of profits. These findings are consistent with *Wise (2013)*, who established a positive relationship between financial literacy and small business performance. Improved financial decision-making enables entrepreneurs to manage cash flows more effectively and make informed investment choices, thereby enhancing business performance.

Furthermore, the findings support *Cole, Sampson, and Zia (2011)*, who found that financial education increases access to formal financial services, which in turn supports business growth. Trained women at Chisapo Market demonstrated greater confidence in engaging with financial institutions and utilizing savings and credit products.

However, despite the positive impact of financial literacy training, some women reported limited business growth due to external constraints such as inadequate access to capital and intense market competition. This finding supports *Bruhn and Zia (2013)*, who argue that financial literacy alone may not be sufficient to significantly improve business performance without complementary support such as access to finance and favorable market conditions.

Participation and Accessibility of Financial Literacy Training Programs

Although several financial literacy training programs were available at Chisapo Market, participation was not universal. The study identified barriers such as lack of awareness, time constraints, household responsibilities, and short duration of training programs. These findings are consistent with *McKenzie and Woodruff (2014)*, who noted that the effectiveness of

financial training programs is often limited by low participation rates and insufficient follow-up support.

The study further observed that training programs were more effective when they were practical, context-specific, and accompanied by continuous support. This reinforces the argument by the World Bank (2018) that financial literacy interventions should be tailored to the needs of small-scale entrepreneurs and integrated with broader entrepreneurship development initiatives.

Implications for Women Entrepreneurship Development

The findings of this study highlight the importance of financial literacy training as a tool for promoting women's economic empowerment and small-scale business sustainability. Improved financial management skills enhance women's ability to control business resources, make informed decisions, and plan for long-term growth. This supports *Minniti and Naudé (2010)*, who argue that strengthening women's entrepreneurial capacity contributes to broader economic development and poverty reduction.

However, the study also underscores the need for a holistic approach to women entrepreneurship development. Financial literacy training should be complemented by improved access to credit, market linkages, and supportive policies to maximize its impact.

CONCLUSION

The role of financial literacy training programs on the performance of women-owned small-scale businesses at Chisapo Market. The findings indicate that financial literacy plays a critical role in

enhancing the financial knowledge, management practices, and business performance of women entrepreneurs. Women who participated in training programs demonstrated improved budgeting, record keeping, savings behavior, and separation of personal and business finances. These improved practices were associated with increased profitability, better control of business expenses, gradual capital accumulation, and greater business sustainability. Despite these positive outcomes, the study also revealed several challenges. Limited access to training programs, time constraints, low levels of formal education, and inadequate follow-up support constrained the full potential of financial literacy interventions. Additionally, external factors such as limited access to credit and market competition continued to influence business performance, highlighting that financial literacy alone is insufficient to address all barriers faced by women entrepreneurs.

REFERENCES

1. Atkinson, A., & Messy, F.-A. (2012). Measuring financial literacy: Results of the OECD / International Network on Financial Education (INFE) pilot study. OECD Working Papers on Finance, Insurance and Private Pensions, No. 15. OECD Publishing.
2. Bruhn, M., & Zia, B. (2013). Stimulating managerial capital in emerging markets: The impact of business and financial literacy for young entrepreneurs. *Journal of Development Effectiveness*, 5(2), 232–266.
<https://doi.org/10.1080/19439342.2013.789641>
3. Cole, S., Sampson, T., & Zia, B. (2011). Prices or knowledge? What

- drives demand for financial services in emerging markets? *Journal of Finance*, 66(6), 1933–1967. <https://doi.org/10.1111/j.1540-6261.2011.01699.x>
4. Drexler, A., Fischer, G., & Schoar, A. (2014). Keeping it simple: Financial literacy and rules of thumb. *American Economic Journal: Applied Economics*, 6(2), 1–31. <https://doi.org/10.1257/app.6.2.1>
 5. Giné, X., & Mansuri, G. (2014). Money or ideas? A field experiment on constraints to entrepreneurship in rural Pakistan. World Bank Policy Research Working Paper, No. 6829.
 6. Karlan, D., & Valdivia, M. (2011). Teaching entrepreneurship: Impact of business training on microfinance clients and institutions. *Review of Economics and Statistics*, 93(2), 510–527. https://doi.org/10.1162/REST_a_00095
 7. Klapper, L., Lusardi, A., & Panos, G. A. (2015). Financial literacy and financial decision- making in older adults. *World Bank Research Observer*, 30(2), 262–282. <https://doi.org/10.1093/wbro/lkv019>