ANALYSIS OF PERSONAL FINANCIAL LITERACY AMONG COLLEGE AND UNIVERSITY STUDENTS

BY

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A Research Report Submitted in Partial Fulfillment of the Requirements for the Degree of Masters of Science in Accounting and Finance of Mzumbe University

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled: **Analysis of personal financial literacy among college and university students. The case study from colleges and universities located in Dar es Salaam region,** in partial fulfillment of the requirements for an award of the degree in Master of Science in Accounting and Finance

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I, **Mustafa R. Abdallah,** declare that this thesis has not been submitted previously as part of the requirements of another degree and that is the product of my own independent research.

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Nothing a man can receive except it is given from above. First and foremost, I would like to convey my deepest gratitude to Allah S.W.T for giving me the strength and motivation both physically and mentally to complete this piece of work. I understand that in the process of preparing this thesis, I have received advice from several people such as my supervisor, Dr. Isaga. It is such an honor and privilege of having such a great opportunity to learn from someone who is professional like her. She is an inspiration and i have learned so much from her. I am truly grateful for all of the time and efforts she has devoted to me over all the period of my research. I would also like to extend my sincere thanks to everyone who has supported me in the accomplishment of this study work.

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Despite the help I have received from different individuals, any mistakes and errors found in this report are wholly mines.

DEDICATION

I dedicate this paper to my family members as compensation for their love and encouragement that they gave me during the whole process of research work. I would also like to dedicate the paper to all my friends who supported me in one way or another.

LIST OF ABBREVIATIONS

BOT	Bank of Tanzania
CEE	Council for Economic Education
CMSA	Capital Market and Security Authority
DSE	Dar es Salaam Stock Exchange
FLEC	Financial Literacy Education Commission
FSDT	Financial Sector Deepening Trust
HESLB	Higher Education Students Loan Board
INFE	Integrated Network on Financial Education
MSTHE	Ministry of Science, Technology and Higher Education
NCEE	National Council on Economic Educational
NE	National Endowment
NFCC	National Foundation for Credit Counseling
NFCS	National Financial Capability Study
NIL	National Institute for Literacy
OECD	Organization for Economic Co-operation and Development
SPSS	Statistical Package for Social Sciences
TAFLAG	The Adult Financial Literacy Advisory Group
UNESCO	United Nations Educational, Scientific and Cultural Organization
WBG	World Bank Group
WIA	Workforce Investment Act

ABSTRACT

To acknowledge widespread lack of personal financial literacy casts serious doubts on the ability of individuals to make financial decisions. Topics on personal financial literacy are still considered minimal in Tanzania thus why this study aimed to verify Tanzanian colleges and universities student's level of personal financial literacy and focused on investigating the effects of academic courses, demographic characteristics and money management on student's personal financial literacy. With particular reference to eight Dar es Salaam's colleges and universities, the study sought to find out the impact of personal financial literacy in student's opinions and decisions.

The research design used during the course of this study was a descriptive survey research design. The initial targeted sample size was 160, however, the realized sample size is 135 which is equivalent to 84%. The sampling frame included students from colleges and universities in Tanzania. The researcher employed mixed analysis techniques which include descriptive statistics, chi-square, and logistic regression and used STATA as the analysis tool.

Findings were consistent with various studies which have been conducted on the topic globally that college and university students have the low level of financial literacy. It was also found that academic courses, demographic characteristics, and money management have significant impacts on the level of financial knowledge of higher learning students.

It was concluded that the results were alarming and that action in increasing the financial literacy of the college and university students should be undertaken. Finally, the limitations and recommendations are included to help further researchers to have a better finding of the results.

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CHAPTER ONE

OVERVIEW OF THE STUDY

1.1 Introduction

This chapter one presents the Study background, Problem statement, and study objectives, research questions, significance of the study and scope and delimitations of the study.

1.2 Background of the problem

It is clear that students from higher learning institutions are fighting for economic and financial independence. Also, when attending colleges and universities, most students are challenged with financial responsibilities along with payments and rent cheap hostel to manage personal finances. Besides Lyon and Roberts (2006) state to avoid these challenges, financial knowledge must be provided to the students before attending high learning institutions. Several types of research from different countries in the world found that students from colleges and universities have enough knowledge and skills of their personal financial management (Murphy 2005). Students from Universities and Colleges get opportunities to learn management of personal finances through courses, workshops and other educational experiences (Barber & Lyons, 2007). Additionally, more authors have started to encourage financial knowledge and seek for the better approach to impacting this important knowledge (Xiao et al, 2009).

Current researches observed that students in universities and colleges today are spending more money than students in the past generations. However, such researches found out that students in the present days have low financial literacy level and therefore become impulsive buyers only (Lusardi & Mitchell, 2014).

The monetary structures of the twenty-first century were developing with high speed, but sophisticated and have become complicated worldwide. The economic and social environments where people make economic choices have changed significantly and this transformation seems to be consistent with the technological change (Mitchell, 2011). The responsibilities of Employers investment management have been reduced significantly currently due to changes in social systems across the world. This has modified financial characters of students in price ranged market and their personal monetary securing habits and freedom. In an environment where the range and complexity of monetary products hold to boom, it is imperative that people increase the expertise of the world of finance with a view to make choices which can be most suitable to their financial goals and needs.

On the other hand, the financial world has become so complex today when compared to the generation before where a simple knowledge of how to maintain a checking and savings account at local banks and financial institutions was more than enough. Recently, consumers are required to have more understanding of the modern financial market (Greenspan, 2005). Poor financial management skills among students have been termed as a source of problems of poor individual productivity at the work place. According to Garman et al (1996) found out that poor personal financial management caused stress among employees in the United States which in turn impacted negatively on their job productivity. Also Brown et al (1993) showed that poor money management was a major cause of stress among employees in the United States. They observed that money management problem included over-indebtedness, overspending, unwise use of credit, bad spending decisions, poor money management, and inadequate resources to make ends meet. Besides, since financial knowledge is very important, even companies start to empower their employees with this financial knowledge (Brown et al, 1993).

1.3 Problem statement

The key elements for economic growth are savings, insurance, investments and money management. However, in all elements which are key to economic growth, savings, is the primary key because it results into the accumulation of capital which is a key element in production, investment, and employment (Kiyosaki and Sharon, 1995).

To achieve economic growth objective, government have to execute program so as to promote savings to citizens. Therefore it is important for the citizens to understand that saving is an important element to the growth of the economy.

Students in the United States of America, for example, have run out of money in the financial debts that cannot be easily paid completely in college or after having entered full time in the workplace, Henry (2001) and Joo (2003). Such a situation has brought a new argument among stakeholders, thinking that there is no need of granting loans to students since most students misuse the money. Students are given loans for sustaining their school lives and their educational progression and not otherwise. The problem is that most students do not have relevant skills of personal financial management to make enlightened choices concerning money they have in their hand (Henry, 2001).

Improvement of personal financial skills among students in colleges and universities is crucial in developing economies, where there is low level access to formal education. However, the extant literatures depict little information the concerned subject, specifically in developing economies like Tanzania.

It is important to assist students at colleges and universities to improve their personal financial skills of cash management and attitudes before entering the work market. This can motivate them to apply efficient skills of personal cash management at a work place in the future. Efficient financial management can be achieved through knowledge and skills that provide the foundation of enlightened choices (Chen and Volpe, 1998).

Many students experience challenges in cash management decisions due t lack of required skills. Therefore, improvement of personal financial literacy in early stages is important because it enables students to cope with the current challenging economic situation in the future. As documented by Grable and Joo (1998) that if students are empowered with financial knowledge while still in colleges it becomes easier after they have graduated, so the early the better it becomes. It is very important to learn factors which affect knowledge of financial literacy among students. This will inform policymakers to formulate relevant issues associated with financial knowledge to the future generation.

There are several studies that have investigated financial management skills and literacy among students at colleges and universities. For instance, Hira&Danes (1987) studied level of financial literacy of students from various college students in America. The researcher of the study employed fifty-one questionnaire instruments to evaluate their financial skills. Their overall results showed that there is a low level of financial management skills among college students. Unfortunately, the status of personal financial literacy among college and university students in Dar es Salaam is not clear. There are limited studies that are known to have been conducted. It should be known because knowing it can have important implications for improving the personal financial literacy of the students and economic development in Tanzania. It is from this idea; this study is prepared to examine the personal financial literacy among various college and university students in Dar es Salaam.

1.4 Objectives of the study

1.4.1 General Objectives

The main objective of this research study is to examine the personal financial literacy among college and university students in Tanzania.

1.4.2 Specific Objectives

1. To determine effect of academic courses on student's financial literacy
2. To establish effect of demographic characteristics on student's financial literacy
3. To find out effect of money management on student's personal financial literacy

1.4.3 Research Questions

1) What are the effects of academic courses on student’s personal financial literacy?

2) What are the effects of demographic characteristics on student’s personal financial literacy?
3) What are the effects of money management on student’s personal financial literacy?

1.5 Significance of the study

Financial sector plays a significant role in the economic development of every country (Ally, 2013). The question of personal financial literacy is vital as it has a direct link with individual quality of life. Therefore, research findings are expected to show how students manage their personal finances and the impacts of poor or good management of the personal finance on their working life.

Also, the results of this study are expected to provide reference information about how should students behave to improve their personal financial management skills.
This study is also expected to add value to the existing literature about the subject and helps for further research. This research is also expected to help the researcher to accomplish his degree program of Master of Science in accounting and finance as a requirement for accomplishing the degree program.

1.6 Scope and delimitation of the study

The scope of this study will be various colleges and universities from the Dar es Salaam region. It will focus on examining the personal financial literacy among various college and university students in Dar es Salaam region. This study will not cover colleges and universities from outside Dar es Salaam region because of limited financial resources and time for conducting such a research to a wide area. Also, Dar es Salaam has the best colleges and universities in the country.

1.7 Organization of the study

The study is well organized in six chapters. Chapter one present the background information, the next chapter, chapter two presents existing literature, the concept of financial literacy and it's different interpretations, theories underpinnings the study and conceptual framework on financial literacy among colleges and university students in Dar es Salaam. The chapter that follows, provides the methodology of the research design, research methods, and tools used in the research study. Chapter four presents the presentation and interpretation of findings and analysis. Chapter five provides the discussion of the findings. Lastly, the summary of the findings, conclusion, and recommendations based on the study is in chapter six.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

The chapter starts with the description of key terms of financial literacy which have been used in some of the major studies previously conducted, discusses the relevant literature that has been reviewed in the area of personal financial literacy. It also highlights various researchers and authors that have emphasized more on the topic, the next section covers the growing importance of financial literacy and followed by critical reviews of various financial literacy studies related to the research objectives. The chapter also presents theories relating to the study

2.2 Definitions of some key terms

2.2.1 Definition of the term literacy

The term ‘literacy’ refers to the ability of an individual to read and write. However, literacy has been defined in various ways using different theories. UNESCO (1958) first defined a ‘literate person’ as a person who can both read and write a short simple statement on everyday life. However, UNESCO refined its definition by stating that ‘literacy’ is the ability of an individual to identify, understand, interpret, create, communicate, compute and use printed and written materials associated with varying contexts (UNESCO, 2003).

Other Scholars defined the term literacy as a personal ability to read, write and speak in English, compute and solve problems at the levels of proficiency necessary to function on the job, in the family of the individual and in society (WIA, 1998). This is a broader view of literacy than just an individual’s ability to read, the more traditional concept of literacy.

According to the Oxford Dictionary, literacy refers to the ability to read and write or it refers to the effective use of language to communicate. It is the quality of being literate. Literacy is a subject that has drawn the attention of many types of research recently. Goody (1986) propounds that literacy should be viewed as an ideological aspect because it manifests itself in a social context. According to Burnet (1965) literacy encompasses learning, knowing, improving the status of occupation and confirming the conclusion.

Generally, literacy is the ability of an individual to read, write and reflect on what has been ready so as to communicate the meaning (Jackson, 1993). This approach again highlights the importance of literacy. According to Gee (1990) literacy contributes to creating and influences reality where it operates. Skills of writing and reading are important because they involve literacy itself (Caroline and Richard, 2000).

2.2.2 Financial literacy

According to Hilgert and Hogan (2002), financial literacy is the degree to which an individual understands and possesses key financial skills and ability and confidence to manage personal cash at hand through appropriate, short-term decision making and sound, long-range financial planning, while mindful of life events and changing economic conditions. In short, knowledge drives aptitude, which in turn influences how one manages money.

Financial information has become one among the foremost ideas in the developed economies recently. During the financial crisis in 2008, Personal funding by people was affected. Before the monetary crisis, studies on financial knowledge were scarce in existing works of literature; but governments from developed countries instilled the desired attention to the financial crisis. The problems that surfaced throughout the crisis were managing personal debt and students loans. Financial literacy would enable people who are to borrow money, to understand the concept of interest and be able to calculate costs of their loans (Lusardi and Mitchell, 2014).

Economists have an interest in finding out monetary knowledge of individuals. Knowledgeable consumers are equipped to decide better about monetary decisions having long positive effects on households than non-knowledgeable consumers. Low financial education may have a long impact on an individual's period of lifetime consumption (Lusardi et al, 2013). According to Ambre (2012), financial knowledge begins with an individual at home. Kids should be taught from home how to manage their little finances they get at home. Rezak et al (2007) argued that managers and specialists in human resources discipline ought to be given business acumen coaching. This may facilitate them in creating assured and knowledgeable recommendations as financial literacy courses are sometimes connected with business acumen courses.

Financial literacy enhances financial communication between employers and workers. Research on financial knowledge is limited even if some scholars suggest that the use of sound monetary practices results into wealth accumulation in families. It is unclear whether or not there is an immediate relationship between education and improved economic well being (Braunstrein & Welch, 2002). Financial knowledge is intended to support folks to undertake sound monetary practices that improve financial health and advance the quality of lifestyles.

2.2.3 Financial Behavior

The way people behave, may have a significant impact on their financial well-being. It is necessary to gather enough evidence of conduct students' financial literacy within a financial literacy measure in colleges and universities. In this study, questionnaire method will be used by way of questions in exceptional styles, to uncover financial behavior of students.

2.2.4 Financial Education

Education of finance is that, in which the user of monetary services improves his understanding of monetary merchandise, notions, and risks. It strengthens the ability of an individual to make reasonable financial decisions which in turn improves wealth and quality of life (OECD, 2005).

Financial education is also described as the process of understanding financial products, services, and concepts resulting into making informed financial choices, avoiding pitfalls and knowing where to go and act to improve the present and future long-term financial well-being (OECD, 2005). Financial education programs have to be designed in such a way that they enhance financial awareness among people for making effective financial decision (Maria, 2013). According to Cole&Shastry (2008) there are four areas in which financial education aims to improve financial knowledge. Lusardi and Mitchell (2006) argued that that financial education provision can promote savings and allocation of portfolio effectively.

Financial education can shape attitude and behavior of borrowing, savings and financial decision making. Households with good financial education are likely to to avoid financial aversion and be able to participate in financial markets. They tend to become more to their cash management such as Cheques management and low interest rate payment on mortgages (Goldsmith &Arsal, 2013). According to Lusardi (2009), financial education programs have to lead into improved saving behavior and financial decision making. Lack of financial education reduces ability to process financial information and financial decisions (Kiyosaki, 2008). Through Financial knowledge programs, people become aware that any financial mistake has everlasting negative consequences (NASBE, 2006).

Financial education equips people with knowledge and skills and strengthens their attitude and belief in themselves, to make an exercise informed, confident and timely money management decisions. It is also the basics of how to deal with money like on how to use a bank account.

2.2.5 Financial Inclusion

Financial Inclusion is a mechanism to ensure wider access of financial services to marginalized groups or low-income earners. It involves affordable cost mechanism in a fair and transparent manner through Institutional players (RBI, 2011). In country like Tanzania financial inclusion has been widely practiced through various ways such as through mobile phones financial services.

2.2.6 Financial Capability

Financial capability refers to the ability of an individual in terms of attitude, knowledge and skills in exercising money management decisions that best fit his circumstances for a given period of time and in a given environment

2.2.7 University

University is a tertiary education level institution which is also responsible for research and consultations. It is an educational institution which awards academic degrees from various academic disciplines at the levels of undergraduate and postgraduate degree programs.

2.2.8 Higher Learning Institutions

The Tanzania Universities Act No. 7 of 2005 defines higher learning institutions as institutions which provide University degrees. Therefore, higher learning institutions are basically universities, colleges, and professional studies institutes. Also college or other higher institution dedicated to providing education at Level 4 (certificates & diploma) and above, such as bachelors, masters and doctoral degrees.

2.2.10 Moral hazard

Moral hazard refers to the tendency to assume undue risks as a result of the cost that should not be borne by the party taking the risks. This term describes a state of affairs where the behavior of a party becomes detrimental to another party in dealing with various transactions. The social scientist explains financial loss as a special case of information partiality, within which one party in exceeding dealing has additional information than the other party. Moral hazards occur if one party has more financial information than another party involved in transactions (Murdoch, 2009).

Moreover, graduates leave school without essential skills in financial management. They lack the ability to manage personal monetary affairs. They, therefore, expose themselves to a high risk of economic failure (Kees & Kemp, 2006). In order to become competent in monetary management, students need to understand market performance. They have to be taught about financial aspects so as to help them acquire skills on how to deal with markets. This is very important and can be possible through financial education.

The main problem of financial education is the lack of a commonly agreed definition of financial education (Hastings et al, 2013. In several studies, the terms; knowledge, and education have been used interchangeably (Huston, 2010). Each of the previous authors has used the term financial education in his or her context. The implication is that there is no single definition of financial education that is agreed upon by all scholars. This study adopts the definition of financial literacy as proposed by Lusardi and Mitchell (2014). According to Lusardi and Mitchell (2014), financial education refers to the understanding of financial concepts and knowledge that leads an individual to make sound financial decisions.

Financial knowledge is the ability to understand finance. It refers to the set of skills that enables a person to make reasonable choices about his or her finances. The knowledge of finance reflects competence in managing one's own cash (Remund, 2010). Individual financial knowledge is considered as the basic aspect that consumers and suppliers need so as to balance market performance.

According to OECD (2011), financial knowledge is a combination of awareness, knowledge, skill, attitude, and behavior necessary for sound financial decision making and attaining individual economic development. Various definitions of financial knowledge fall into five categories as follows: (1) financial ideas (2) capacity of an individual to communicate financially, (3) ability in managing personal finances, (4) skills in making reasonable financial choices and (5) confidence for future financial needs.

Knowledge of financial concepts

Knowledge is an important element of many concepts including financial education. To effectively manage cash, one should have an understanding about finance. Students tend to value the importance of information if that information improves one's own well-being (Braunstein and Welch, 2002).

Financial Concepts Communication Ability

According to Fox et al (2005), financial knowledge is a critical component of effective consumer decision making and financial communication. Financial knowledge has a broader application in communication in human lives.

Aptitude in managing personal finance

Many definitions of financial literacy have referred to the ability of an individual in managing personal finances or the ability of an individual to plan and control his personal finances wisely. However, proper control of personal finances needs financial knowledge and skills (Emmons, 2005).

Emmons (2005) explains the term financial literacy by elaborating specific attributes of monetary skills. The vivid aspect of financial literacy is the variation in economic development between individuals exposed to similar income levels. Financial knowledge reflects one's ability to perform to manage spending and saving of his or cash earned.

Financial Decision Making Skills

Financial decision-making is a vital aspect of evaluating a level of economic development and personal financial knowledge. Most definitions of financial literacy embrace the ability of a person to effectively undertake financial choices. Monetary knowledge cannot be assessed unless it is evaluated in terms of effective monetary viewpoint that appears to be the critical aspect in financial management.

Various academicians opine that the term financial knowledge refers to skills for effective financial decision making (Rhine and Toussaint, 2002). The financial choice is influenced by how a person is rationally assuming cost at the marketplace in restricted financial status at his or her disposal.

The NE (2006) for financial information illustrates this concept well in its definition of economic knowledge. Financial information programs enhance the acquisition, maintenance, and conservation of scarce resources that permit families and folks, as they move with the world around them to their levels of living. Students ponder financial literate people as people that successfully manage debt whereas deciding effectively on their personal monetary values (Stone et al, 2008). The notion incorporates money ethics and integrity into the assorted definitions of economic knowledge.

Effective planning for future financial needs

Financial literacy is a concept that is becoming of great concern in various countries in the world. There is a growing concern in the world about the importance of promoting financial literacy by imparting financial education (Bhushan & Medury, 2013). Therefore, it is important to ensure that the financial skills of people are higher for economic development and growth of ant nation (Sucuahi, 2013). In today's environment, financial skills are needed to grow the personal well being as well as the country's economic growth (Sabitova&Mueller, 2015). A financial illiterate society can create several problems in the economy of the country (Arrondel et al, 2013). Hence, better financial knowledge and skills are important both for individuals and the country's economy towards achieving economic growth.

Researches from different researchers have revealed that students in most universities lack financial literacy and understanding of financial planning (Koenig, 2007). A notable exception is from USA monetary financial education program executed by the U.S. Department of Labour (WI$eUp, 2008). Financial education includes issues of responsible saving habits for future retirement. It is an instance during which financial plan becomes a habit to be developed and adopted. Different programs imply that financial plans can be improved or discredited.

Many countries already paid attention to monetary knowledge and skills within their population and are promoting monetary skills through transmission of monetary knowledge to students (Bhushan and Medury, 2013). Moreover, scholars have argued that in the current economic conditions, it is vital for individuals to have monetary skills because they have a significant impact on individual economic development (Sucuahi, 2013).

In today's world, financial skills are required for personal well being and growth (Sabitova and Mueller, 2015). A financial illiterate society has risk of having a negative economic growth due to poor economic decisions of its people (Arrondel et al, 2013). Hence, higher monetary knowledge and skills are vital to people themselves and their country's economy towards achieving economic improvement.

According to Huston (2010), monetary knowledge may be explained within two paradigms: Understanding financial concepts and skills. Hence, it is delineated as measuring a personal will and use personal finance related to financial information. This description is coherent with definitions within the extent of economic gain.
Wachira and Kihiu (2012) state that financial knowledge helps buyers to mitigate buying risks associated with the changing times in making reasonable buying decisions. Also, in another study, a financially literate person refers to possessing information that helps an individual to handle cash well (Howlet et al, 2008).

Financial knowledge is also explained as knowledge of facts, concepts, principles, and technological tools that are basic to cash control and management (Garman, 2008). According to Mason and Wilson (2000), financial education refers to the process by which people use a mix of skills, resources, and discourse information to affect financial decisions.

OECD (2010) defined financial knowledge as the method of improving understanding of economic products, concepts and risks management. It develops the abilities and confidence to become effective in monetary risks and opportunities. Thus, monetary skills and education refers to the ability to grow, monitor, and effectively use monetary resources to reinforce the well-being and economic security of oneself, one’s family and one’s business.

2.3 Determinants of financial knowledge level

Financial knowledge can be influenced by demographic factors, including age, education level, gender, parents, peers; etc. Various studies have been conducted to investigate the influence of demographic factors on financial literacy level across countries in the world (see, Mohamed et al, 2013). A study by Peng et al (2007) showed that gender has a significant influence on the financial literacy level, where females have the lower literacy level of finance compared to men.

Students become literate in financial matters in old age (Cameron et al, 2013). However, some researchers do not agree with the statement opening that age has no impact on the financial literacy level of an individual (Brown and Graf, 2013). Sabri and Donald (2010) investigated the financial literacy level of students in Malaya and revealed that the level of financial skills of faculty students was low which was associated with ethnicity. Results also showed that higher learning students from Chinese Universities had a lower level of personal financial literacy than Malaysia’s higher learning students.

In the USA furthermore this was the case, Lusardi (2014) proved similar facts with students from the United States of America. He observed that African-Americans and Hispanic students had poor personal financial skills than students from other ethnic groups.

According to Deuflhard et al (2014) who conducted research in Dutch households’ community, they found that 82% of all Dutch households maintained savings accounts. They further showed that financial knowledge positively related with the household's average earnings on savings accounts.

Also Chen and Volpe (1998) found a significant positive relationship between education level and financial skills. They also found that scores on the test results were determined by both education level and the subjects that the students pursued in school. Business majors, for instance, had higher scores than others. Mandell (2008) suggests that the typical score of faculty students was nearly 15 August 1945 on top of that of high school seniors.

2.4 The importance of financial literacy

Financial information is vital in several ways. It improves the welfare of individuals by enabling him/her acquire effective skills of financial decision. Monetary skills help people to save, borrow, invest and manage the funds they earn. It enhances the potential of people to grow their wealth and gains and has vital implications for people's effective choices. Monetary skills play a vital role in influencing investments, through creating cheap investment decisions. It improves monetary resources control and management and acquisition in the economy (Widdowson and Hailwood, 2007).

Financial information helps individuals to improve their level of economic understanding and issues relating to financing, sales, and purchases (Bhushan and Medury, 2013). Therefore, having financial skills may be a necessary and basic requirement for each individual as it guarantees a prosperous, healthy and happy life to an individual. Money hardship tends to extend isolation, emotional stress and depression to people (Wolcott and Hughes, 1999). However, some students argue that money hardship is usually caused by lack of knowledge of finance.

2.5 Financial literacy in Tanzanian

A review of the education system has identified serious issues together with appallingly low student enrollment within the pedagogy sector in the United Republic of Tanzania. Like universities in other countries, Tanzania university students have demonstrated low level of financial literacy. The problem is exacerbated by various factors such as gender-unbalanced distribution of students' enrollment, poor funding mechanism and uncontrolled tertiary educational institutions.

In October 1992, the newly created Ministry of Science, Technology and Higher Education (MSTHE) noted, among other things that demand for the personnel with a higher education background have been on the increase both from the public and private sectors. This problem was due to the fact that most of the eligible Tanzanian students had no financial power in paying and supporting their education cost.

On the 30th of March 2005, the united republic of Tanzania government established a Higher Education Student's Loan Board (HESLB) with the aim of providing educational loans to higher learning students. The aim was to help various students from poor families but academically well, to obtain higher education. Since then the government has been providing such loans to students each year while controlling its repayment. However, the majority of students revealed that when they get money from the Board for subsistence, they spend it unwisely because they lack financial knowledge which is a problem for them.

It has been reported that Tanzania has made significant progress in reducing financial exclusion by more than half in a short period since 2009. Mobile money transfer has enabled the financial sector to bridge distances; lower transaction cost and vastly improves convenience in making payment for a wide range of services. More than 19% of Tanzanians use the mobile money platform in paying for various services. The rate is equivalent to 75% of Tanzania's adult population. People can now trade securities using the platform from wherever they are.

2.6 Theoretical literature review

2.6.1. Learning Theory

Learning theory states that learning occurs through observation and participation in the environment in which a learner is located. Learning theory was introduced by Skinner (1953). He showed that the consequences of every action increase the likelihood that action will continue or not. The consequences of every action can either be positive reinforcement (rewards) or negative reinforcement (punishment). Skinner propounded that positive reinforcement and negative reinforcement have different impacts on the likelihood of action to continue or stop. Positive reinforcement tends to provide longer lasting results than negative reinforcement (Skinner, 1953). However, various scholars have criticized Skinner's learning theory by arguing that the theory does not take into consideration the impact of mental cognition and individual emotions in developing a new behavior to an individual. However, it only takes a form of observable factors that can contribute to the behavioral development of an individual (Bandura, 1977).

However, learning theory puts emphasis on investigations in human behavior by focusing attention on the importance of testing behavior hypotheses. It stresses on the ability, conditions, anticipated consequences and positive or negative reinforcement that can influence people's actions. Thus, learning theory emphasizes the likelihood of long life learning through which actions can be regulated (Goldhaber, 2000).

2.6.2. Goal setting theory

Goal setting theory is based on the proposition that anticipated results are driven by goals and intentions. According to Latham (1990), the goal of an activity or program determines the methods of task performance. The higher the challenging goals is the more the higher performance and vice versa. However, goals must clearly be well stated and viable. To be effective, goal setting theory assumes that people should be committed to the goal, should get feedback and should have the power to perform the task. This implies that financial knowledge programs ought to be efficient and motivating.

2.6.3 The Expectancy Theory of Motivation

Motivational theory suggests that measures of monetary literacy ought to link with financial behavior that is within the consumer's best interests. Motivation has been considered as primary element for individual behavior development.

Expectancy refers to a chance that specific actions or states of nature can yield a particular outcome. It links between performance and reward. This means that outcome relies on performance. Valence or utility relates to how important the value is, the individual places on the perceived outcome. Following the propositions of such theories, individuals tend to value things that would lead them to intended outcomes (Mandel & Klein, 2007).

Financial knowledge enables an individual to gain skills and abilities that can assist them to make reasonable financial decisions for their economic development (Mandel et al, 2007). This suggests that if people understand basic skills of finance it can help them boost the standard of their financial decisions, they'd be motivated to be involved and this improves on their long-run perceived outcome (financial freedom). This study is rooted in the expectation theory since the targeted respondents exhibit various levels of financial literacy that would be expected to use their experience within the management of their personal finances.

2.7 Empirical literature review

Various empirical studies on personal financial skills among university students from different countries showed poor results. The following studies are presented based on the specific objectives of this study:

Effect of demographic characteristics of financial literacy of students

Danes and Hira (1987) indicated that higher learning institutions students had the limited financial knowledge, however, males were found to have a higher knowledge of financial literacy than females.

The study conducted by Sarigul (2014), aiming at finding out the relationship between financial literacy and students characteristics and develop strategies to improve financial literacy among university students. He used a sample of 1,127 students from three universities and the results were analyzed based on gender, field of study, type of residence, class rank, work status, parent's education, and the major of the student. They found that there is a need for university students to improve their knowledge of personal finance. It was suggested that college students need to pursue a program of improving financial literacy by considering their characteristics. The sooner such a program is put in place; the better will be the outcomes for both individuals and the economy as a whole.

A research work by a NCEE (2005) stressed that there were inadequate personal monetary skills among higher learning students which had a negative result on their personal monetary choices and behavior.
According to Furtuna (2007, failure of students to manage their personal funds would lead to increased economic problems such as low productivity level (CHRGI, 1995). Poor financial skills and knowledge would affect the working of the economic system, which in turn would increase in unnecessary costs burden in the economy.

However, the researcher suggested that academic institutions established in the Lynchburg VA area are supposed to involve personal financial literacy programs in their curricula. The programs would improve students' knowledge on the management of personal finances, leading to effective borrowings, investments, and savings decisions. The author also suggested that students should be taught financial literacy through the participatory approach on the basis of Pass or failure.

General financial education programs should be made mandatory in various courses of higher learning institutions. Since higher learning graduates are expected to be educated. They are expected to possess higher earnings after school completion, they are expected to be financially literate and contribute significantly to the economic growth and development.

Effect of money management on the financial literacy of students

Most previous studies on personal monetary skills and monetary knowledge have centered on higher learning students. Numerous researches on personal financial skills and knowledge in higher learning institutions were found within the reviewed literature conducted either within the U.S or outside the U.S between 1987 and 2010. The first reported study by Danes and Hira (1987) which investigated 323 Iowa State University students' knowledge about credit cards, insurance, personal loans, monetary record keeping as well as overall monetary management.

According to Sharahbani, (2012) financial illiterate creates no intention to manage and control personal budget leading to poor financial decisions and irresponsible financial behavior (Chen and Volpe, 1998).

A study conducted by Kindle (2010) confirmed that students, aspiring to become social workers viewed financial literacy as an important aspect of their future career. Such students perceived that financial knowledge related extremely to poverty and welfare transition process. It has been observed in various works of literature, that many of the studies have focused on the role of financial literacy. However, it is wise also to concentrate on critical aspects that can enable people to understand what it means by financial literacy.

There are few studies that have been conducted to show how financial literacy and financial decision making relate. Lack of clear link between the two variables makes it difficult to explain how financial literacy level can be used to explain the financial behavior of an individual such as improved financial management and control, effective use of funds available to a person, etc.

Guiso and Jappeli (2008) proved that financial literacy is a significant variable in predicting the death of portfolio diversification. They showed that financially incapable individuals might underestimate the gains of portfolio diversification.
Rooijm et al (2012) detected a positive association between financial knowledge and retirement. Alternatively, financially literate individuals planned in advance for retirement life periods.

Isomidinova G. and Singh J. (2017) have conducted a quantitative study on the determinants of financial literacy among young students in Tashkent, Uzbekistan. Based on the quantitative survey, the study has investigated the relationship between Financial Education, Financial Socialization Agents and Money Attitude towards Financial Literacy among Students in Tashkent, Uzbekistan.

The objective of the study was to investigate the factors that contributed towards personal financial skills of higher learning students in Uzbek. It was discovered that financial education has the very best influence on financial skills of students in Uzbek.

Results align with those from the previous studies which have brought various new insights on the advantages of financial education. Such results provide theoretical and practical implications for improving the personal financial literacy of students and offer an alternative viewpoint.

The research helps to fill the research gaps, hence adds to the existing literature. The evidence from the study contains implications for academicians, parents and the education authorities in Uzbekistan in improving the Financial Literacy of students.

There are several issues discussed in the previous researches. First, the sample size was small and other variables such as environmental influences, information and religious influences ought to be examined in future studies. Raw data for the study was collected via a questionnaire that might be liable to bias. The impact of economic education among adults was not examined within the study. The impact of gender variations or age variations was not examined within the studies. Limitations of the study give directions for future research.

Shaari (2013) investigated the personal financial knowledge of university students. The main objective of the study was to test the personal financial knowledge among university students. The study used a sample size of 384 from a population of students from the local universities in Malaysia. The results were measured through reliability and multiple linear regression analysis. It was observed that the level of financial literacy among students from Universities was moderate with 65.7%. It was concluded that there are five independent variables (factors) which significantly affect the financial literacy level. Finally, the researcher points out the limitations and recommendations to help further researchers to have a better finding of the result.

Effect of business majors on the financial literacy of students

There is a link between business courses taken by students and student's experience in investment (Peng et al, 2007). As bestowed by Peng et al (2007) that students majoring in business courses are more knowledgeable about individual financial management compared to non-business majors students. Various academic researchers have indicated that business majors and students with higher magnificence rank obtain higher marks in financial knowledge examinations. As business major faculty students hold a higher level of financial duties, they develop skills of financial management easily than others.

Another study was carried out by Atkinson et al (2011). The objective of the study was to evaluate financial literacy from 12 countries within the OECD countries. It was designed to specifically compare financial literacy among higher learning students from the OECD countries. Specific questionnaire items were designed to describe individual behavior and attitudes towards personal financial management as well as exploring similarities and differences in terms of literacy levels of students from the sample countries. The survey was conducted with the expectation that the ultimate survey results would become vital for policy developers, lecturers, and financial education programme designers.

The collected information has been analyzed in many ways, where varying observations have been identified on the behavior and attitudes of people towards financial literacy. Responses from respondents were used to compare aspects of economic literacy across the sampled countries.

It was deduced that countries that have not participated within the pilot exercise were inspired to use the core questionnaire items as a standalone product or as a part of their endeavors for national bench marking on financial knowledge. This can increase a collection of internationally comparable information and thereby improving analysis capability on issues of financial education and their impact on international financial policies.

Considering knowledge does no longer exist in a vacuum (Jankowicz, 2000), the investigator has to visit a certain number of several works done by various researches on the study topic. The aims of the segment are to review among others, includes refining the research ideas, demonstrating awareness of the current state of knowledge on the study under investigation.

2.8 Research gap

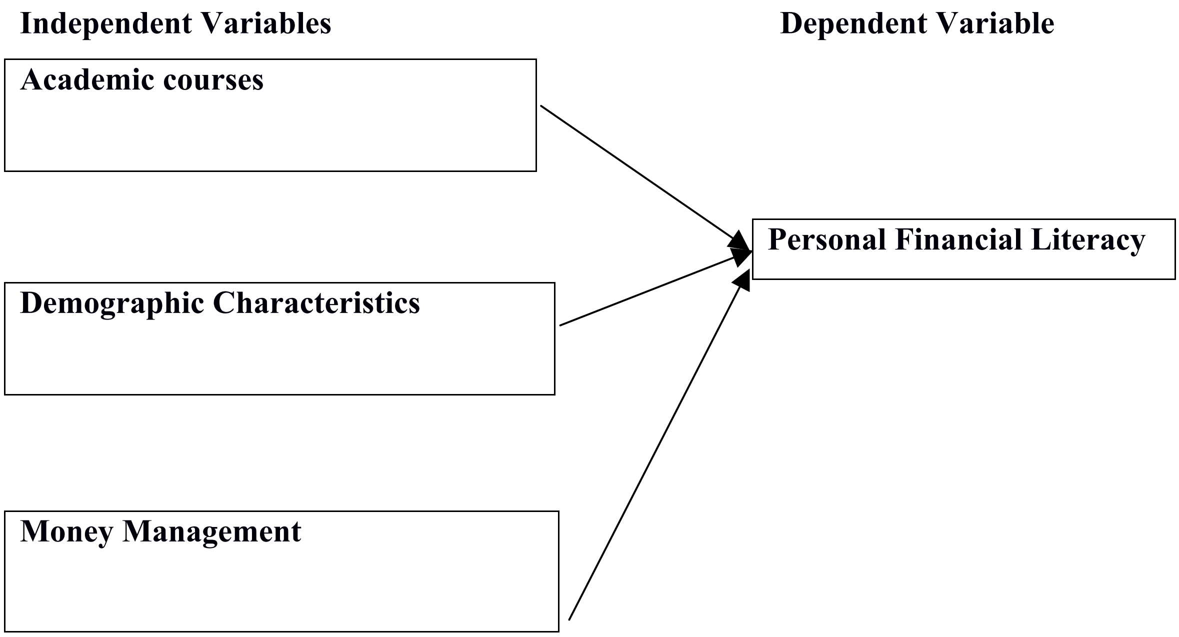
A summary of the previous studies that have been contacted by the author of this study reveals that the influence of higher learning institutions on personal financial literacy level of students in Tanzania is blurred. The Tanzania government has been providing a loan to students who pursue various courses in higher learning institutions, yet there are always complaints from students that the fund loaned by the government to them is not enough (BOT & FSDT, 2016). On the other side, the government through its financial experts tends to define the average amount that is enough for an average budget of a student per day. Some students find it enough while other students find the money loaned to them as not enough, bearing in mind that all are subjected to the same college environment with similar requirements. This phenomenon poses a question on the financial literacy level of students.

Unfortunately, there are limited studies in the extant literature from Tanzania context that are known to have addressed the problem. This study is therefore prepared to fill such a gap. It seeks to understand the influence of academic programs, demographic factors and experience in personal money management on the financial literacy of higher learning students.

2.9 The conceptual framework

The conceptual framework provides a way for a reader to understand easily the study. This study has been designed to assess the effects of demographic characteristics, academic courses and money management on financial literacy level among higher learning institutions and universities in Dar es Salaam . It used two types of variables which are independent and dependent variables. The independent variables include Academic courses, Demographic characteristics, and money management while dependent variable includes Personal financial literacy. The relationship of variables is presented in the following conceptual diagram below.

Figure 2. 9: Conceptual framework



Source; Researcher's Creativity

There may be other variables which affect Personal Financial Literacy but this study looked at the effects of academic courses, demographic characteristics and money management where the effect of other variables has been kept constant in this study. That is why they have not been included in the conceptual framework.

2.10 Measurement of variables

While it is critical to assess how financial literate individuals are, yet it is not easy to find out how people make economic choices basing on economic information they obtain and process. Few researchers incorporated financial knowledge into theoretical models of saving and decision-making. The variables below have been listed for measurements.

2.10.1 Academic Courses

Academic courses are believed to have an influence on financial literacy skills development. Some studies have shown that students majoring in business courses have more financial skills and knowledge compared to those with non-business courses (McKillop, 2015). Based on the preceding analysis, the motive of this study is to find out whether the type of academic courses has any relation with the financial literacy level of students or not.

2.10.1.1 Students majoring in Business courses against those with non-Business courses

The student's major courses of studies in higher learning institutions and universities are basic signs of educational courses that affect the way, an individual gains financial knowledge. There is a link between business courses taken by students and student's experience in investment (Peng et al, 2007). As bestowed by Peng et al (2007) that students majoring in business courses are more knowledgeable about individual financial management compared to non-business majors students. Various academic researchers have indicated that business majors and students with higher magnificence rank higher in financial knowledge examinations. As faculty students hold a higher level of financial duties, they develop skills of financial management easily than others. Higher learning students face significant challenges as they create bills payment, want to save and budgeting monthly costs and manipulate scholar debt. This is because most students from higher learning institutions lack the necessary skills in financial knowledge (Peng et al, 2007). The findings are clear in that, non-business major in finance and accounting has the low level of financial literacy, compared to business majors (Chen & Volpe, 1998).

2.10.1.2 Education level

It is vivid that the most students who join Tanzania universities for the first time are in the age range 19-21 years. Such an age range is has termed as an age with low financial literacy level compared to students with age above the said range. Several studies that have been conducted have shown that there is a link to individual financial literacy and education level. In other words, students with a high level of education have a high level of financial literacy and vice versa (Mandel and Klein, 2009).

Previous studies have indicated that most students in their first year of studies in universities have the low level of financial information. This is consistent with

Manton et al, (2005) who showed that there is a link between the educational level of students and the financial literacy level.

They ascertained that first-year university students showed that more than 35% of the respondents showed that they had the low level of financial literacy (Jones, 2005).

2.10.2 Demographic characteristics

2.10.2.1 Gender

Gender is the first demographic factor (Independent Variable). The information about gender in this study has been collected from the demographic characteristics question which asking students to describe themselves as either male or female. A majority of both females and males consult their partners when making investments (Hira & Loibi, 2008). Much research has been conducted regarding the role of gender in decision making and investment behavior (Hira & Loibi, 2008, Mandell, 2008). The difference between student's gender and the level of financial knowledge has been investigated by various researchers (see, Chen and Volpe 1998, Danes and Haberman, 2007), (Manton et al, 2006), Micomonaco, 2003), (Peng et al, 2007 and Volpe et al, 1996). The common results observed from the various studies indicated that males have a better understanding of financial issues than females. However, Abraham et al, (2009) discovered that there exist no variations regarding the financial literacy level between males and females.

2.10.2.2 Age

The preceding studies have shown that there is a link between student's ages and financial knowledge. Teenagers between the ages of eighteen and twenty-four years with different demographic background and diversification degrees were consulted in a study by Chen and Volpe (1998). Economic understanding among students appears to be increasing with expertise and age. The observed results typically show that the younger the age of a teenager in the lower financial knowledge (Chen & Volpe, 1998).

Micomonaco (2003) conducted a study on the relationship between age and financial literacy and discovered that there is a lack of basic financial knowledge among teenagers with the age range of 18-24 years. The reason for low knowledge level can be attributed to the younger ages of eighteen to twenty-two years or beneath thirty years because most of them are at the primary level of financial life cycle (Chen & Volpe, 1998). Students in this age range are normally faced with financial problems due to lack of income sources and knowledge of financial knowledge.

Financial literacy impacts financial decision making and other monetary issues. Financial literacy is the ability to use knowledge and skills to manage financial resources effectively for financial well-being. It includes any program that addresses the knowledge, attitudes, and behavior of an individual toward financial topics and concepts (Gale & Levine, 2010, Holden, Charles, Laura, Deanna & Beatriz, 2009). Financial literacy provides people with clear and transparent information to help them make the best decision to fulfill financial needs (Panday, 2009).

2.10.3 Money management

Money as a medium of exchange is an aspect to people in the society students. This is not only for goods utilities but as a representation of worth (Engelberg and Sjoberg, 2006). Cash is considered as a strong motivating factor of behavior as well as improving job satisfaction and reducing job stresses. The implication is that one's own attitude towards money can regulate his financial behavior. Consequently, having a positive mindset towards cash can influence somebody's financial understanding and skills whereas a negative mindset can result in poor financial management leading to bankruptcy. Edward et al, (2007) showed that the money mindset can determine the financial behavior of people.

Financial management has gained a significant importance in strengthening financial stability and development (OECD, 2012). Proper cash control, among students, has become a crucial issue globally and continues to be a serious concern for economic well-being (Knight and Knight, 2000). The repercussion of financial literacy is being seen in financial debts management among students (Walker, 1996). Financial awareness by people has been considered as a crucial element of economic improvement (Knight and Knight, 2000). Developing operational and appropriate approaches can influence budgeting behavior among people. Financial knowledge is, therefore, another academic effort that people need to strive for because undesirable effects of economic debt arise due to a lack of financial knowledge (Kidwell et al, 2003). Budgeting can be improved by having proper financial plans which can enhance or minimize the probability of economic debt (Lunt et al, 1995).

2.10.3.2 Spending Habit

The mindset of teenagers regarding spending has a significant function in the sustainability approach of the teenager's monetary issues and is a very important aspect in the monetary judgment of a teenager (Pillai et al, 2010). According to Cummins et al, (2009), the default rate will be less if university and college students have an understanding of the concept of managing and handling their financial issues. As reported by Roy (2003) in his observation which indicated that the financial literacy measures need to reflect on personal actions and acknowledged that financial literacy was having to do with individuals being knowledgeable and making positive decisions in all perspectives including the spending behavior. Similarly, young people have the tendency of making immediate spending on their earned income as a results forgetting about the investment (Greenberger & Steinberg, 1986). As reported by Sabri et al. (2008) who has found out that between those young people, males have been observed having low mean score as compared to females specifically in the budgeting, emergency savings and the capability to meet the basic needs.

These days, the majority of the college students are not able to manage their earnings in a right manner due to the fact when they have ample of money, they honestly spend it out recklessly however it is not a necessary expenses (Ibrahim et al, 2009). Furthermore, knowledgeable college students commonly spend greater earnings on important academic issues rather than spending the money on less academic aspects such as cybercafe. From now on, there is a need to promote the financial literacy by providing workshops and training to some of the students who are having mass spending. This has to be implemented from high schools, colleges as well as universities (Davidson, 2006).

Chen & Volpe, (1998) stated that financial decisions are extremely stimulated by financial understanding. This is similar to the study conducted by Peng et al, (2007), they discovered out that college students with a better understanding of financial literacy made correct spending selection in a theoretical circumstance. So as to abstain from any obligations and reckless spending which result in financial soundness, financial diligence could try to enlighten the future to the teenagers and generate wealth (Pillai et al, 2010). At the same time, college students with the less financial understanding most likely will make flaws in the financial decision making (Chen & Volpe, 1998). Alternatively, teenagers nowadays are materialistic and genuinely buy assets as opposed to saving their earnings for the future and all the assertion above are subscribe to the Epicurean philosophy of "life to enjoy" (Pillai et al, 2010). Also, this finding has concluded that most of the college students were having loss of fundamental financial principles of earning, spending, investing and saving. Ultimately, people lacking personal financial knowledge increases the burden to become a potential buyer.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents study design, study area, study population, units of analysis, sample size and sampling techniques, data sources, data analysis techniques and ethical issues of research.

3.2 Research design

A research design is a plan of action of how a study will be conducted, (Msabila & Nalaila, 2013). The study used descriptive survey research design. The descriptive research design has been adopted because the author sought to test the effect of demographic factors, academic course, and money management on the financial literacy. Kothari (2004), states that research is performed for the sake of discovering the volume and nature of cause-and-effect relationships. The author describes that the design is appropriate to assess effects or the influence of one variable into another. That is the reason the researcher found the design to be appropriate because the research objectives seek to test the effects of demographic factors, academic course, and money management on the financial literacy.

3.3 Study populations

Identifying or deciding the target population is one of the most essential things for any research study. The target populace is described as a selected group of human beings or objects for which the information can be accrued or observations made to increase the required facts structure and statistics. A research consists of not only people but also add weights, heights, occasions, hemoglobin ranges, and outcomes as long as the populace is well defined with express inclusion and exclusion standards (Barnejee, 2010). In choosing a population for a study, the research question or objective of the research will propose the most suitable definition of the populace to

be studied, in terms of area or location and limit to a specific age group, sex or employment (Barnejee, 2010).
The population must be fully defined so that those to be included and excluded are clearly spelled out (Barnejee, 2010). The population of this study involved higher learning students from Dar es Salaam region's colleges and universities. These were expected to give information that helped a researcher to answer the research questions.

3.4 Sampling Design

3.4.1 Sampling Method

The sampling method is a way of selecting samples from a population (Saunders et al, 2007). In this study, samples were selected through systematic random sampling technique. The researchers selected a sample of universities and colleges in Dar Salaam and get consent from the available students and administer it to them. Every student from the selected college and university had an equal chance to participate in the study regardless of their gender, age or course of their study.

3.4.2 Sample Size

Kothari (2004) opined that a sample size of at least 30 cases is considered to be a large sample. Similarly, Alreck & Settle (1995) and Abranovic (1997) suggested that a sample size of 30 to 500 is appropriate and more recommended for most researches. Purposive sampling technique was used to obtain the sample from the study population in Dar es Salaam (See also Emmanuel, 2013). Dar es Salaam is the former capital as well as the most populous city of the United Republic of Tanzania, almost all best colleges and universities have their campus in Dar es Salaam. The sample size of the study was 8 colleges and universities operating in Dar es Salaam. Therefore sample size was determined to base on the number of population elements that were found. However, twenty students were contacted from each of the eight colleges and universities selected, making a total of 160 sizes of the respondents. Since the sample used in our study is eight colleges and universities, it was reasonable to use twenty respondents for each college and university due to the time constraints and the fact that the respondents were required to respond of the same questions in the study's questionnaire.

3.5 Types of Data

Types of data has been classified as primary and secondary data. Data required for analysis of this study were collected from primary sources. Primary data were collected directly from the sample population using questionnaires as data collection tools and secondary data were retrieved from the available published records such as textbooks, journals, magazines, manuals, and internet materials in order to gain an understanding of the problem in question.

3.5.1 Primary Data

This is the first-hand data whereby the data have been collected from the sources of origin where the data generated. These data are more reliable and have the high degree of accuracy. Data from primary sources can be collected through both interview and questionnaire methods.

3.5.2 Secondary Data

This includes any publication written by authors. In this study, secondary data were collected using different sources like Books, Journals, and Newspaper which related to this study. Secondary data were collected through document review method.

3.6 Data Collection Methods

3.6.1 Interview

Interview method involves face to face conversation between the interviewer and interviewee which is aimed at collecting certain information which enables the researcher to understand the respondent's inner feeling about the problem. The purpose of the interview was to gain as much information about the case study. Due to the time constraint, Self-administered interview question was not (schedule) used to collect information from intended colleges and university students.

3.6.2 Document review

Document review is the process of reviewing written materials relating to previous studies or researches that have been conducted by various researchers for the sake of gaining an understanding of the problem in question. This study used a document review method to collect data from secondary sources because it is one the best method for obtaining written information and that the method has been used by various researchers for the same purposes.

3.6.3 Questionnaire

The questionnaire is a set of well-formulated question that is logically arranged meant for data collection and information for a particular study purpose. Standardized English structured questionnaires were used as a primary tool for data collection, this questionnaire comprises of closed and open-ended questions and as to be filled by colleges and university students.

Data collected using questionnaires for the purpose of obtaining enough data so as to validate findings and the questionnaire is a good tool for data collection because it gives a respondent more time to reflect on the questions critically before answering them and it guarantees confidentiality. According to Saunder (2004), questionnaires are the best methods for collecting a large amount of data. Therefore, this study used questionnaires for the serving time of respondents and for the purpose of collecting a large amount of data. This ensures balance and comprehensive information reliable enough for the conclusion to be drawn. A set of 32 questions which were into three sections were presented to respondents.

3.7 Reliability and validity of data collection methods

3.7.1 Reliability

Reliability looks at the confident about the findings. Dawson (2002) defines reliability as the ability of the instrument together consistent and appropriate data from the subject. Data were obtained from reliable sources and authority. All information and data were cross-checked and test retested by related parties.

3.7.2 Validity

Validity addresses whether the research measures what they were intended to measure (Pallant, 2005). Validity looks at the research that it should be able to give the same results when finding are done elsewhere and if the study relates to the current phenomenon. The researcher designed research tools which are aligned with the objectives and content of the study to ensure items validity of the data is achieved.

To ensure the reliability and validity of data the following was done; data collected were edited for clarity and appropriateness by going through each response of the questionnaire. Inappropriate responses were sorted and ignored for analysis. A pilot test for the instruments was done to find out if they are well understood and focused on the objectives of the research. The result of the pilot test was analyzed and those questions which did not attain accuracy, some of the respondents had difficulty in understanding and did not reflect the study objectives were modified. Also, a test-retest method was done to assess the reliability of the instruments. The result of test-retest technique was also evaluated and the questions which were not consistency were modified for consistency.

3.8 Data analysis procedures

This study was guided by three specific objectives, which include; determining the effect of academic courses on student's personal financial literacy, to establish the effect of demographic characteristics on student's personal financial literacy and to find out the effect of money management on student's personal financial literacy. The three objectives were analyzed altogether. Two techniques were involved in analyzing data for achieving the specific objectives. The techniques are logistic analysis technique assisted by Chi-square test and descriptive statistics. STATA statistical software was used as the tool for performing both descriptive and logistic regression techniques. Descriptive statistics were performed in order to describe respondents demographic characteristics while Chi-square and logistic regression were performed to evaluate the effects of independent variables on the dichotomous dependent variable. The findings were combined in the interpretation phase.

3.9 Ethical issues of research

In conducting a study, all research ethical issues were considered such as confidentiality of respondents as well as the use of Mzumbe rules and regulations for conducting a research was strictly followed. The researcher complied with an ethical issue regarding the research undertaking by seeking permission to conduct research from Mzumbe University.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF THE FINDINGS

4.1 Introduction

The primary objective of this study was to examine the individual financial literacy among college and university students in Dar es Salaam. In order to achieve specific objectives, it collected data from 135 respondents from 8 colleges and universities operating in the Dar es Salaam region. This chapter presents the colleges and universities contacted, response rate, findings and interpretation of the findings.

This study evaluated the personal financial literacy from 8 selected colleges and universities operating in the Dar es Salaam region. The following below is the list of colleges and universities that were contacted by a researcher of this study. (See appendix 1)

4.2 Response Rate

Out of the one hundred and sixty (160) questionnaires sent to the target population, only hundred and thirty-five (135) which is equivalent to 84.4% were returned from respondents. According to Mugenda (2003), 84.4% is an excellent response rate for making the reliable conclusion of the study.

Table 4. 2.1: Response Rate

Instrument	Frequency	Percentage
Response Rate	135	84
Non-response Rate	25	16
Total	**160**	**100**

Source: (Researcher, 2018)

4.3 Respondent's demographic characteristics

In the analysis of the effects of student's demographic characteristics on personal financial literacy, this study categorized student's demographic characteristics variables into two categories, the variables include gender and age.

4.3.1 Gender of the respondents

Gender was an interested characteristic of a researcher since the gender of the college and university students have something to do with the way students understand and interpret the world (Njeri, 2003). Therefore, data collection from the college and university students of both genders would make sense rather than only those data collected from unisex respondents,

Table 4. 3.1: Gender of the respondents

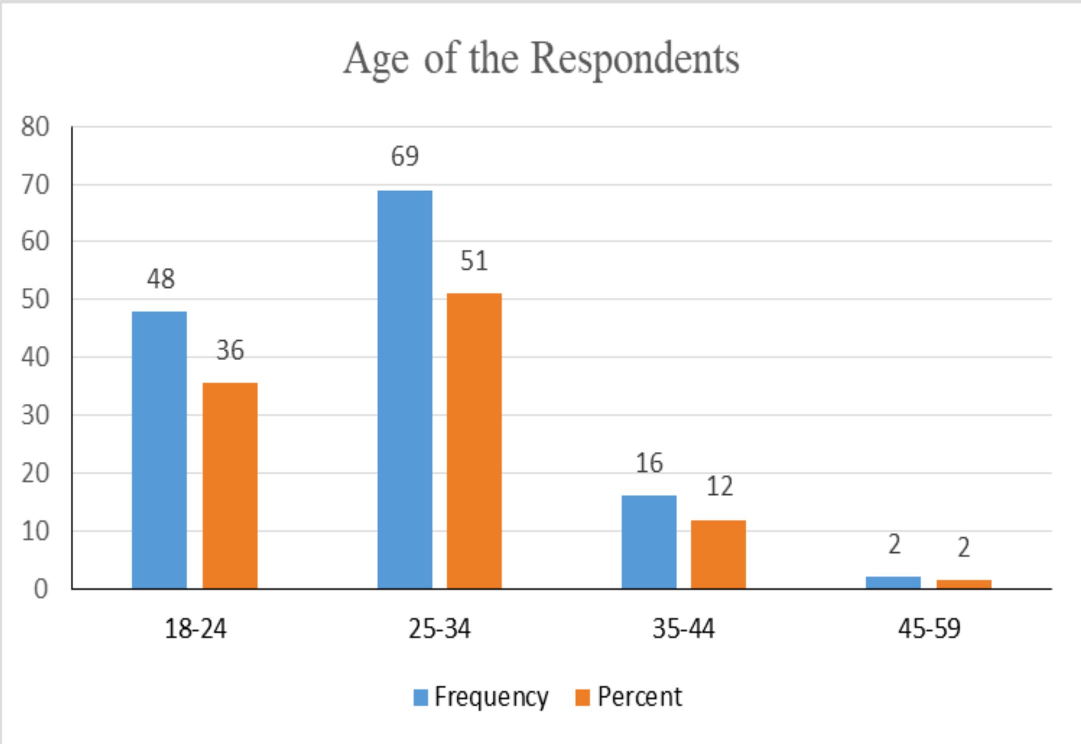
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	72	53.3	53.3	53.3
	Female	63	46.7	46.7	100.0
	Total	135	100.0	100.0	

Source: Fieldwork (2018)

Table 4.3.1 indicates that out of 135 respondents, 72 which is equivalent to makes 53% were males and 63 which is equivalent to 47% were females. This implies that there are more male students in colleges and universities as compared to female students.

4.3.2 Age of the respondents

Figure 4.3.2: Age of the respondent in Frequency and Percent



Source: Field Work (2018)

Figure 4.3.2 above shows that out of 135 respondents, 48 which is equivalent to 36% had the age range between 18-24, 69 were at the age of 25-34 which make up 51%, 16 were at the age of 35-44 which make up 12% and only 2 respondents were at the age of 45-59 which make up 1% of the students contacted. This implies that there are more students at the age of 25-34 years in colleges and universities as compared to other student's age.

4.4 Comparing Financial Knowledge in terms of Demographic characteristics

4.4.1: Comparison of financial knowledge and Gender

In this section, the researcher assessed differences in financial knowledge between males and females. The results are presented in Table 4.4.1 below

Table 4. 4.1: Comparison of financial knowledge of male and female

Overall Knowledge * Gender Cross-tabulation					
			Gender		Total
			Male	Female	
Overall Knowledge	Quite High	Count	9	3	12
		% within Gender	12.5%	4.8%	8.9%
	About average	Count	42	23	65
		% within Gender	58.3%	36.5%	48.1%
	Quite low	Count	16	26	42
		% within Gender	22.2%	41.3%	31.1%
	Very low	Count	3	8	11
		% within Gender	4.2%	12.7%	8.1%
	Don't know	Count	2	3	5
		% within Gender	2.8%	4.8%	3.7%
Total		Count	72	63	135
		% within Gender	100.0%	100.0%	100.0%

Source: Field Data (2018)

As indicated on the above table, the researcher has computed percent within individual groups because of unequal distribution of samples size between male and female. For male, the results show 12.5 percent of the male reported to have quite high financial knowledge; 58 percent reported their financial knowledge to be above the average, 22.2 percent have quite low knowledge, 4.2 percent have very low financial knowledge and 2.8 percent could not confirm their financial knowledge meanwhile for female, 4.8 percent of the male reported to have quite high financial knowledge, 36.5 percent reported their financial knowledge to be above the average, 41.3 percent have quite low knowledge, 12.7 percent have very low financial knowledge and 4.8 percent could not confirm their financial knowledge. This implies financial knowledge of most of the female was relatively low compared to their counterpart male as evidenced by the low score for those who were above average.

Table 4. 2.1b: Chi-square test results

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.865[a]	4	.012
Likelihood Ratio	13.138	4	.011
Linear-by-Linear Association	10.175	1	.001
N of Valid Cases	135		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 5.33.			

Source: (Researcher, 2018)

The above table shows, Pearson Chi-Square is 12.865a, the degree of freedom is 4 and Asymp. Sig is equal to 0.012. The finding implies that the relationship between gender and financial literacy is statistically significant. The observation is evidenced by the calculated probability value (0.012) which is less than a 5 percent level of significance.

4.4.2: Comparison of financial knowledge and Age

Table 4. 4.2: Comparison of financial knowledge and Age

Overall Knowledge * Age Cross-tabulation							
			Age				Total
			18-24	25-34	35-44	45-59	
Overall Knowledge	Quite High	Count	1	8	3	0	12
		% within Age	2.1%	11.6%	18.8%	0.0%	8.9%
	About average	Count	13	43	7	2	65
		% within Age	27.1%	62.3%	43.8%	100.0%	48.1%
	Quite low	Count	27	11	4	0	42
		% within Age	56.2%	15.9%	25.0%	0.0%	31.1%
	Very low	Count	6	3	2	0	11
		% within Age	12.5%	4.3%	12.5%	0.0%	8.1%
	Don't know	Count	1	4	0	0	5
		% within Age	2.1%	5.8%	0.0%	0.0%	3.7%
Total		Count	48	69	16	2	135
		% within Age	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Field Data (2018)

Similarly, as shown in the above table, the researcher computed percent within individual groups because of unequal samples size between age groups. For the respondents with age group range from 18-24, out of 48 respondents 2.1 percent of them reported to have quite high financial knowledge; 27.1 percent reported their financial knowledge to be above the average, 56.2 percent said to have quite low knowledge, 12.5 percent have very low financial knowledge and 2.1 percent could not rate their financial knowledge.

For the respondents with age group range from 25-34, out of 69 respondents 11.6 percent of them reported to have quite high financial knowledge, 62.3 percent reported their financial knowledge to be above the average, 15.9 percent said to have quite low knowledge, 4.3 percent have very low financial knowledge and 5.8 percent could not rate their financial knowledge. This implies financial knowledge of many respondents aged between 25 and 34 is about the average.

In addition, for the respondents with age group range from 35-44, out of 16 respondents 18.8 percent of them reported to have quite high financial knowledge, 43.8 percent reported their financial knowledge to be above the average, 25 percent said to have the quite low knowledge, 12.5 percent have very low financial knowledge. This implies financial knowledge of many respondents aged between 35 and 44 is about the average.

Besides, for the respondents with age group range from 45 to 59, out of 16 respondents, 100 percent shows their knowledge is just about an average. This shows there is no variation in knowledge within the same group.

General results show that most youths with the age range between 18 and 24 years have quite low financial knowledge compared to their elders who majority have reported to have about the average level of financial knowledge.

Table 4. 4.2b: Chi-square test results

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	33.845[a]	12	.001
Likelihood Ratio	35.671	12	.000
Linear-by-Linear Association	9.012	1	.003
N of Valid Cases	135		
a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .07.			

Source: Field Work (2018)

Table 4.4.2b above shows that the Pearson Chi-Square coefficient is 33.845[a] with the degree of freedom of 12 and Asymp. Sig is equal to 0.001. This suggests that there is a statistically significant relationship between age and financial knowledge as evidenced by the calculated probability value (0.001) which is less than a 5 percent level of significance.

4.5.1 Effect of academic courses on student's personal financial literacy.

In examining the effect of academic courses on the financial literacy of students from higher learning institutions, the author selected two major variables as independent variables; type of academic course (if Business Course=1 or Otherwise=0) and Years spent at the college (More than a year=1, 0=Otherwise). Likewise, financial knowledge was a dependent variable (1= Has financial literacy, 0= Otherwise) which was also transformed into a dichotomous variable. Logistic regression was used to test if the academic course has effects on financial literacy or not. The findings are presented in the Table 4.5.1 below.

Table 4. 5.1: Logistic regression results

Logistic regression			Number of obs	=	135
			LR chi2(2)	=	22.8
			Prob > chi2	=	0.0246
Log likelihood	=	-90.8327	Pseudo R2	=	0.0152

Financial Knowledge	Odds Ratio	Std. Err.	z	P>z	[95% Conf. Interval]	
Years spent at College	0.7385831	0.26143	-0.86	0.039	0.369068	1.478061
Business Course	1.611497	0.58233	1.32	0.018	0.79367	3.272044
_cons	1.28287	0.389453	0.82	0.412	0.707581	2.325893

Source: Field Work (2018)

As shown in the above table, the number of observation was 135 showing the number of respondents who participated in the study. The likelihood ratio (LR) chi-square test for the model with two variables is 22.8. Prob > chi2 =0.0246 which less is than 5 percent level of significance. Basing on such findings it is concluded that academic courses have a statistically significant effect on financial literacy level among students in higher learning institutions. The findings show that the coefficient for years spent at the college is 0.7385831 (Standard error 0.2614; Z value; 0.86 and P value; 0.039). This suggests that years spent at the college has a statistically significant effect on the financial literacy while those who have spent more than a year are 0.738 better in financial knowledge than those who have spent less than a year.

Similarly, the findings show that the coefficient of money management is 1.611497 (Standard error 0.58233; Z value; 1.32 and P value; 0.018). This suggests that money management has the statistically significant effect on the financial literacy while those who manage well their money are 1.6 better in financial knowledge than those who mismanage their money.

4.5.2 Effects of Demographic factors on student's personal financial literacy

The researcher intended to test the effects of demographic factors on student's personal financial literacy. These demographic factors included Gender, age, education and financial economic information which were treated as independent variables. The researcher used STATA to transform them into dummy variables. Similarly, financial knowledge was a dependent variable which was also transformed into the dichotomous variable. This study used logistic regression to test the effects of demographic factors into financial literacy; the findings are presented in the table below;

Table 4. 5.2: Logistic regression indicating the effects of demographic factors on financial knowledge

Logistic regression				Number of obs	=	135	
				LR chi2(4)	=	72.1	
				Prob > chi2	=	0.000	
Log-likelihood	=	-56.18188		Pseudo R2	=	0.3909	
Financial Knowledge	Odds Ratio	Std. Err.	z	P>z		[95% Conf. Interval]	
Gender	4.027675	2.025414	2.77	0.006		1.503166	10.792

Age	4.381999	2.217045	2.92	0.003	1.625594	11.81224
Education	17.06447	9.797434	4.94	0.000	5.538372	52.57794
Financial Economic Information	13.28347	8.492482	4.05	0.000	3.79416	46.50586
_cons	0.0044263	0.0044433	-5.4	0.000	0.0006188	0.0316598

Source: Field Work (2018)

The total number of observations was 135 respondents. The LR test for the model with two variables is 72.1. Prob > chi2 =0.000. Since the Prob >chi2=.000 is less than 5% level of significance, then the model is statistically significant because the calculated p-value (0.000) is less than a 5 percent level of significance. As evidenced by the above table, the findings show the coefficient for gender was 4.027675 (Standard error 2.025414; Z value; 2.77 and P value; 0.006). This suggests that gender has the statistically significant effect on the literacy level of finance where males are 4 times more in financial knowledge than females.

Similarly, the results show that the coefficient of age was 4.381999 (Standard error 2.217045; Z value; 2.92 and P value; 0.003). This implies that age has the statistically significant effect on the financial literacy.

Likewise, the findings indicate that the coefficient of education was 17.06447 (Standard error 9.797434; Z value; 4.94 and P value; 0.000). This suggests that education has the statistically significant effect on the financial literacy and those with at least a bachelor degree are 17 times better in financial literacy than undergraduates.

Moreover, the results show that the coefficient of information on finance and economic was 13.28347 (Standard error; 8.492482, Z value, 4.05 and P value; 0.000). This suggests that information on economic and finance statistically and significantly affects financial literacy level of an individual and those who have access to this information or similar are 13 times more likely to have financial knowledge than otherwise.

4.5.3 Effect of money management on student's personal financial literacy.

Besides, the researcher was interested to test the effects of money management on student's personal financial literacy. In this model, the researcher used money management (1=Well money management, 0=Otherwise). Well, money management was viewed as a person who always knows how much money she/he has, how much money you can spend and on what. The researcher used STATA to transform them into dummy variables. Similarly, financial knowledge was a dependent variable which was also transformed into a dichotomous variable. LR was used to test the effects of the selected money management variable into financial literacy and the results are presented in the table below;

Table 4. 5.3: Logistic regression showing the effect of money management on financial knowledge.

Logistic regression				Number of obs		135
				LR chi2(1)		18.82
				Prob > chi2		0.000
Log likelihood	=	-82.8246		Pseudo R2		0.102
Financial Knowledge	Odds Ratio	Std. Err.	z	P>z	[95% Conf. Interval]	
Money Management	5.6	2.343372	4.12	0.000	2.466	12.7169
_cons	0.3928572	0.139795	-2.63	0.009	0.1955877	0.789092

Source: Field Work (2018)

As shown in the above table, the number of observation is 135 showing the number of respondents who involved in the study. The LR chi-square test for the model with two variables is 18.82. Prob > chi2 =0.000 which less than 5 percent level of significance. This implies the model is statistically significant because the calculated p-value (0.000) is less than a 5 percent level of significance. As shown in the above table, the results show the coefficient for gender was 5.6 (Standard error 2.343372; Z value; 2.63 and P value; 0.000). This shows that money management has a statistically significant effect on the financial literacy and those who managed well their money are 5.6 times more likely to have the effect on financial knowledge (MckKillop, 2016)

Table 4. 5.3b: Logistic regression showing the combination of all three

Logistic regression		Number of obs =	135
		LR chi2(5) =	68.66
		Prob > chi2 =	0.0000
Log likelihood =	-57.90176	Pseudo R2 =	0.3722

Financial_Knowledge	Odds Ratio	Std. Err.	z	P>|z|	[95% Conf.	Interval]
Gender_	2.900263	1.375192	2.25	0.025	1.145066	7.345885
Age_	3.271708	1.622171	2.39	0.017	1.238037	8.646006
Education_	12.6607	7.01572	4.58	0.000	4.273447	37.50914
MME_6_Money_Management	6.126549	3.214444	3.45	0.001	2.190847	17.13246
ACE_1_Business	2.034489	1.010981	1.43	0.153	.768201	5.3881
_cons	.0131485	.0106093	-5.37	0.000	.0027043	.0639291

independent variables on financial knowledge

Source: Field Work (2018)

The above table shows, the number of observation is 135 showing the number of respondents who involved in the study. Prob > chi2 =0.000 which less than 5 percent level of significance (See it above the table, the third item). This implies that financial knowledge is influenced by all independent variables when combined. However, P > /Z/ test ACE Business (Academic Course) is statistically insignificant.

CHAPTER FIVE

DISCUSSION OF THE FINDINGS

5.1 Introduction

This chapter presents the discussion of the findings. The findings are discussed based on the specific objectives of the study. It compares the findings of this study with the findings of the previous studies and justifies their similarities and differences.

5.2 Student's Demographic Characteristics on individual Financial Literacy

Demographic characteristics of the respondents from the sampled colleges and universities in Dar es Salaam have shown to have a significant effect on the financial literacy of students in higher learning institutions. The author examined the relationship between demographic characteristics and the financial literacy of students in higher learning institutions. The interest has been whether there is any vital impact of student's demographic characteristic on personal fund management or not. Student's demographic characteristics variable has been classified into two classes; the gender of respondents and age of respondents.

5.2.1 Gender of respondents

Based on the findings from STATA output in Table 4.4.1b, there is a significant relationship between financial knowledge level and the respondent's gender. There has been a notion that women's ability to handle massive and sophisticated task is low compared to men. This notion has been proved in this study because most girls failed to demonstrate the high capability of performance. The findings of this study are almost like several different findings from the previous studies.

Beal and Delpachitra (2003) conducted a study to evaluate monetary skills of Australian students. They discovered that schools and university students are neither experienced nor knowledgeable in financial matters. Students with high knowledge of financial skills were found to be males.

However, Ibrahim et al (2009) indicated a contradicting observation. According to them, there is no distinction between financial literacy and the respondent's gender.

5.2.2 Age of respondents

Based on the findings from the STATA output in Table 4.4.2b, the effect of age on the financial literacy of students is statistically significant. The age between 25 and 34 was among the demographic characteristics that depicted a high level of monetary literacy, whereas the age group between 18 and 24 was among the demographic characteristics that showed the poor level of financial literacy. The financial life-cycle of the majority of this age group is completely in a very early stage. They are faced with a constrained number of financial problems associated with financial understanding, savings, budgeting, making an investment and banking. At some point of this era, they spent most of their money on consumption as opposed to investing.

5.3 Student's Academic Courses on Personal Financial Literacy

The interest has been whether there is any significant impact of student's academic courses on personal financial literacy. Student's academic courses variables have been classified into two, respondent's business and Non-business major and respondent's education level.

5.3.1 Respondent's business and Non-business major

STATA output from Table 4.5.1 shows that financial knowledge level relates significantly with respondent's business major courses. The findings align with the fact that business courses include financial knowledge, it help them that students taking such courses learn it. The findings from Table 4.5.1 relate with the findings from several previous studies (Peng et al, 2007). According to Volpe et al (1996), there is a major impact on students' business courses as major courses of studies on personal financial skills level. They argue that students with business studies as major courses are more knowledgeable about personal financial literacy than students with business studies as non-major courses.

Volpe et al. (1996) conducted a study on undergraduate business students. The study used a questionnaire with 23 items whose objective was to investigate investment knowledge. Results showed that business students have the higher knowledge of investments than students without business courses.

5.3.2 Respondent’s education level

Based on the findings from STATA analyzed in table 4.5.1, there is a significant relationship between financial literacy level and the respondent's education level. Many types of research have found that student's educational level has the sign to measure individual financial literacy. It was mostly found out that, participants possessing high education level have high personal financial literacy level as compared to that of freshman or certificates and diploma students. The findings also suggest that participants from different class ranks have different levels of financial knowledge. Generally, graduate students know more than the undergraduate students and those from the lower ranks.

The reason for high level of monetary knowledge for the participants with the high level of education is because of high exposure to monetary knowledge environment in schools as compared to university freshman. However, from the analysis, in general, it implies that university and college students possess a low level of personal financial literacy.

5.4 Student's Money Management on Personal Financial Literacy

For the sake of gaining a standard life as working adults, experience in the use and control of money (money management skills) perform a significant function since college student's spending behavior in college and university affect the way they manage their cash (Peng et al, 2009). It was found that students from colleges miss necessary skills for their financial management. In this study, the interest has been whether there is any significant impact of student's money management on personal financial literacy. Student's money management variable has been classified into two, the respondent's spending habit and bank account ownership.

5.4.1 Bank account ownership

The STATA output from Table 4.5.3 implies that financial literacy level is significantly relating to respondent's ownership of bank account. Most of the student's often use their money on unnecessary expenses thus why they haven't enough money for savings. It has shown that most of them have bank accounts but they haven't the behavior of making regular savings. Thus we can conclude by saying that college and university students don't have financial knowledge regarding the use of banking as a medium of savings.

5.4.2 Respondent's spending habit

The STATA output from Table 4.5.3 indicates that respondent's spending habit is statistically significant with financial knowledge level in higher learning institutions. It was observed that most of the students often spend their money on useless things which is an indication of a lack of financial knowledge. In this research, spending pattern between those students who have taught to manage finance with their parents or guardian against those who haven't taught to manage finance with their parents or guardian was observed. The analysis implies that students who have taught to manage finance have a very good spending decision thus they avoid excessive debt and wasteful spending.

Ibrahim et al (2009) investigated how students spending habit relates to personal financial literacy level. They observed that personal financial literacy level is linearly associated with personal spending habits.

The attitude of college and university students concerning spending performs an important function in the sustainability perspectives in the maintaining of their finance and is the most significant variable in financial judgement (Pillai et al, 2010). Further studies are needed in order to observe attitudes and spending behavior of college and university students throughout the time they spend in the college environment.

CHAPTER SIX

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

6.1 Introduction

This chapter summarized the findings, makes a conclusion, recommendation, and suggestion for areas of further studies based on the main objective; to investigate personal financial literacy level among higher learning students in Dar es Salaam in Colleges and Universities. Aside from that, the limitations faced during the conducting of this research study have also been presented at the end.

6.2 Summary

This research study focused on the analysis of personal financial literacy among college and university students. The main objective of the study was to examine the personal financial literacy among college and university students in Dar es Salaam, Tanzania. However, this study was guided by three specific objectives which are; to determine effects of academic courses on student's personal financial literacy, to establish effects of demographic characteristics on student's personal financial literacy and to find out effects of money management on student's personal financial literacy.

The study was conducted in Dar es Salaam region, it has presented results of the primary data using questionnaire from colleges and universities students to arrive at conclusion. The research design used during the course of this study was a descriptive survey research design. The initial targeted sample size was 160, however, the realized sample size is 135 which is equivalent to 84%. The sampling frame included students from colleges and universities in Tanzania. The researcher employed mixed analysis techniques which include descriptive statistics, chi-square, and logistic regression and used STATA as an analysis tool.

Secondary data was collected through documentary review in which the researcher was able to collect data and information material related to the study problem and variable from the study. Primary data were collected through questionnaire method. The data and information were very useful in supporting the findings of the study. Independent t-test was performed to analyze data for the three objectives.

The study found out that academic courses have significant effects on the personal financial literacy of the college and university students. It found out that demographic characteristics have significant effects on the personal financial literacy of the college and university students. It also found out that money management has significant effects on the personal financial literacy of the college and university students.

6.3 Conclusion

This study has revealed that personal financial management knowledge is a helpful tool for financial management by an individual. Governments should pay attention to financial management education of their populations in order to develop financial policies that would enhance economic development and growth. Countries can learn from different countries if the financial literacy levels between these countries are different.

6.4 Recommendations

Based on the findings of the study the following recommendations can be analyzed;

6.4.1 Recommendation for action

6.4.1.1 Government

The findings lead to a recommendation that there is a need to incorporate financial knowledge courses in higher learning students in Tanzania so as to improve the personal financial knowledge of students for their economic development. It is only through financial education that people improve their understanding of the financial products and services and ensure a lifetime of financial well-being.

The government through the ministry of finance can have national financial literacy month or week which can be extended to colleges and universities as workshops to encourage student's participation in order to improve their personal finance knowledge.

Also, since most of the students are eager to gain knowledge through the schools, on the job training, and from various financial institutions, it is recommended that chances have to be provided for the students to undertake an internship with the financial institutions to build up their financial knowledge capacity.

6.4.1.2 Stakeholders

Basing on the findings of this study it is recommended that emphasis should be put on financial literacy knowledge to students in higher learning institutions. This is because financial literacy has more applicability in the daily working lives of people which in turn affect economic performance as a whole. Higher learning students are expected to have much influence on money circulation because they will either be employed or self-employed. That is why they need financial knowledge for effective financial decision-making skills.

6.4.1.3 Parents

Although higher learning students are always away from their homes, they need to decide on whether they can save, spend or invest the money they earn. This needs financial knowledge. Parents are advised to have adequate time with their children trying to monitor their expenditures.

6.4.1.4 College and university

The researcher strongly believes financial education is important for higher learning students in Tanzania because it has more advantages to economic growth and development. Therefore, it should be emphasized in higher learning institutions.

6.4.2 Recommendation for Further Researches

Further researches are needed to be conducted so as to know the level of financial literacy and make a statistical comparison. This will help us to know whether the level of personal financial literacy is increasing or decreasing in every year. Lastly, the researcher believes that enhancing personal financial literacy would solve many economic problems that higher learning students encounter. It is argued that students from higher learning institutions earn enough money to survive but the problem is on how they spend the money they get while in the learning environment.

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APPENDICES

APPENDIX *I*

LIST OF COLLEGES AND UNIVERSITIES CONTACTED FOR THE STUDY

	NAMES OF COLLEGES AND UNIVERSITIES	REGION
1	INSTITUTE OF FINANCE MANAGEMENT (IFM)	DAR ES SALAAM
2	MUHIMBILI UNIVERSITY OF HEALTH AND ALLIED SCIENCE (MUHAS)	DAR ES SALAAM
3	TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)	DAR ES SALAAM
4	UNIVERSITY OF DAR ES SALAAM	DAR ES SALAAM
5	COLLEGE OF ADULT EDUCATION	DAR ES SALAAM
6	KAMPALA INTERNATIONAL UNIVERSITY (KIU)	DAR ES SALAAM
7	ARDHI UNIVERSITY	DAR ES SALAAM
8	COLLEGE OF BUSINESS EDUCATION (CBE)	DAR ES SALAAM

QUESTIONNAIRE

No. _____

Dear Respondent,

I am kindly requesting you to answer the given questions. The research is centered on the examining the personal financial literacy among various college and university students in Dar es Salaam, Tanzania. The questions are purely for academic purpose and not otherwise, I do not intend to victimize any person in any way. Your contributions in answering these questions will assist the researcher/investigator in conducting a research which is a partial fulfillment of the requirements of the academic award for the Degree of Masters of Science in Accounting and Finance (MSc A& F) of Mzumbe University (Dar es Salaam campus). The information which you are going to give will be treated with high confidentiality.
I, sincere express my appreciation for the assistance which you will provide to me in this regards,

Yours,

Mustafa R. Abdallah

PART 1. Preliminary Questions

1) The name of the college or university …………………………………………….

2) Location of the college or university (in district name)……………………………

PART II. Targeted Questions

Put a tick (mark) or state when needed.

Demographic characteristics as cause effect

4) Sex of respondent

Male { }

Female { }

2. Age

a) 18-24 Years { }

b) 25-34 Years { }

c) 35-44 Years { }

d) 45-59 Years { }

e) 60- and over { }

3) Education level

a) Certificate level of education { }

b) Diploma level of education { }

c) First degree education { }

d) Masters degree education { }

e) Other education level (specify)……………………………………………

4. Which of the following best describes your living situation during the academic year?
   a) College/university residence { }
   b) With my parents/family { }
   c) With my spouse or partner { }
   d) Alone { }
   e) With room-mates { }
   f) Other (please specify)…………………………………………
5. How would you rate your overall knowledge about financial matters compared with other people?
   a) Very high { }
   b) Quite high { }
   c) About average { }
   d) Quit low { }
   e) Very low { }
   f) don't know { }
6. How often do you acquire financial economic information from sources such as newspapers, magazines, television, and the internet?
   a) Almost every day { }
   b) About once a week { }
   c) About once a month { }
   d) Less often than the above { }
   e) Never { }
   f) Other (please specify) ……………………………………………………
7. Did your parents or guardians teach you how to manage your finances?
   a) Yes { }
   b) No { }
   c) Don't know { }

Academic courses as cause-effect

In which Faculty are you currently registered?

a) Business { }

b) Engineering { }

c) Information technologies { }

d) Health sciences { }

e) Social science (including Bachelor of Management and Organizational Studies) { }

f) Other (please specify)…………………………………………..

2. In which year of your academic program are you currently registered?

a) 1 { }
b) 2 { }
c) 3 { }
d) 4 { }
e) Others (please specify)…………………………………………..

3. What is your current enrollment status?

a) Full time (i.e. normal regular classes){ }

b) Part-time (i.e.,evening classes) { }

There are a variety of opinions about whether Financial Literacy (achievement of skills necessary to make informed and effective decisions regarding earning, spending and the management of money) should be included in the colleges and universities curriculum. We would like to know your ideas about each of the statements below. Please respond to each statement by using the following scale.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

4. Academic courses enhance the personal financial literacy among college and university students.

5. High school students need to understand financial concepts to be able to invest their money wisely.

6. All colleges and universities should include a course of study in money management or personal finance.

7. Financial literacy is just as important as English or Mathematics.

Money management as cause-effect

1. Do you personally have any bank account? Yes { } No { }

2. If no, why don't you have one?

   a) Don't have enough money { }

   b) Don't like having to stand around in long queues waiting to get served { }

   c) Don't find them very helpful { }

d) Nobody else in my house has one { }

3. If yes, how long have you had a bank account?

a) Less than one year { }

b) 1-2 years { }

c) 2-4 years { }

d) More than 4 years { }

4. Why did you open a bank account? (tick all that apply)

a) Parents advised me to open one { }

b) Because we are receiving loans through bank account { }

c) Because friends had one { }

d) To keep my money safe { }

e) To earn interest on my money { }

f) Because I saw it advertised { }

5. You are given Tsh 500,000 for your birthday. You …..

a) Spend some of it and save the rest { }

b) Spend it all straight away { }

c) Put all of it your bank account until you know what to do with it. { }

6. Do you always know how much money you have, how much money you have spent and on what?

a) Yes, I am very organized as it comes to money { }

b) No, I haven't got a clue. { }

c) I usually have a rough idea what I have to spend { }

7. Do you have regularity in savings? Yes { } No { }

8. In which way you make savings?

……………………………………………………………………………………

9. If you do not make savings, what is the reason?

……………………………………………………………………………………

PART III. Other Questions

1. What is your source of income?
   a) Pocket money { }
   b) Scholarship/Grant { }
   c) Job (part time/weekend) { }
   d) Others (please specify)………………………………………..

2. Do you have any awareness regarding investment? Yes { } No { }
3. Was financial education offered by a school or college you attended?
   a) Yes, however, I didn't get the chance to participate. { }
   b) Yes, and get the chance to participate { }
   c) No, it was not offered { }
   d) I really Don't know { }

4. What is your spending and savings status?
   a) Spending greater than savings { }
   b) Spending equal to savings { }
   c) Spending less than savings { }
   d) Others { }

5. If a citizen has a deposit in a Tanzanian bank and this bank becomes bankrupt, do you know what maximum level of a deposit is entirely insured by the government?

   a) 0 Tsh, the government does not ensure the bank deposit. { }

   b) 1,500,000 Tsh. { }

   c) 15,000,000 Tsh. { }

   d) No limits, the government ensures all bank deposits in the full amount { }

   e) I find it difficult to answer this question { }

6. High inflation means that the cost of living is increasing rapidly. True { } False { }

7. The concept of an investment is that “the higher the return, the higher the risk”.

True { }False { }

THANK YOU FOR YOUR COOPERATION AND SUPPORT