Financial Education as a Factor in Household Economic Growth: A Study in the Municipality of Uíge (2021–2025)

José Mário João, MSc.[1,2], Menga Pedro Ndozi, Lic.[1], Bortolleto Nvuala Bengui Paulo, Lic.[1], Domingos Makassi João, Lic.[1], Joaquina Jandira Narciso Eduardo, Lic.[2]

[1]Kimpa Vita University, Uíge, Angola

[2]Private Higher Institute Nzenzu Estrela (ISPNE), Uíge, Angola

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ABSTRACT

This article analyses the influence of financial education on the economic behaviour of households in the Municipality of Uíge, Angola, between 2021 and 2025. The research adopted an applied, quantitative, descriptive and explanatory approach. Data were collected through a structured questionnaire administered to a sample of 169 households and analysed using descriptive statistics in Microsoft Excel. The findings show that 63% of respondents had heard of financial education, while 61% rated their financial knowledge as low or very low. In addition, 54% reported that they could not prepare a household budget, 58% did not save regularly and 58% had some level of indebtedness. Furthermore, 60% acknowledged frequent impulse purchases. On the other hand, 77% had made some form of investment, 69% used digital financial services and 45% considered that their economic situation had improved in recent years. The article concludes that financial education is relevant to improving income management, expenditure planning and saving capacity, although persistent financial literacy gaps and economic vulnerability remain.

Keywords: Financial education; Financial literacy; Savings; Household debt; Households; Municipality of Uíge.

1. INTRODUCTION

Financial education has become an important dimension of household economic organisation, particularly in contexts where income is limited, the cost of living fluctuates and access to financial information and services remains unequal. Beyond familiarity with banking products, financial education involves the ability to plan income and expenditure, assess risks, make consumption decisions, build savings and use credit responsibly.

In the Municipality of Uíge, these issues are particularly relevant to households that depend on salaries, commercial activities, agriculture, small businesses and other sources of income. Irregular earnings and pressure from current expenditure may hinder savings and investment, making it necessary to understand how financial knowledge relates to everyday management practices.

The study underpinning this article sought to determine the extent to which financial education influences household economic growth in the Municipality of Uíge between 2021 and 2025. Its objective is to analyse this relationship through household budgeting, expenditure control, savings, consumption, investment, indebtedness and the use of financial services.

The relevance of the research lies in its potential to provide empirical input for financial awareness and training initiatives aimed at families, educational institutions, financial institutions and community organisations. This article retains the data and methodological limitations presented in the original dissertation.

2. THEORETICAL FRAMEWORK

2.1. Financial education and financial literacy

Financial education may be understood as the process through which individuals acquire the knowledge and

skills needed to make informed decisions about money. Financial literacy, in turn, refers to the ability to apply that knowledge in practical situations, such as preparing a budget, comparing costs, understanding interest, saving and assessing the consequences of borrowing.

The literature links financial literacy to the capacity to cope with unexpected events and make consistent economic decisions. Lusardi and Mitchell (2014) highlight the economic importance of financial literacy, while the OECD (2020) emphasises its relationship with well-being and financial inclusion. Financial education should therefore not be reduced to the transmission of concepts; it also requires opportunities to apply knowledge to household decisions.

2.2. Household savings, consumption and indebtedness

Savings make it possible to build reserves for future expenses, cope with income shocks and finance projects. However, the ability to save depends not only on financial knowledge but also on the level and regularity of income and the structure of expenditure. When resources are absorbed by essential needs, the capacity to save tends to decline.

Impulse consumption and frequent reliance on credit may increase financial vulnerability when they are not accompanied by planning. Behavioural economics draws attention to the influence of habits, preferences and immediate decisions on economic behaviour (Thaler, 2020; Kahneman, 2021). Financial education can encourage more considered decisions, but it cannot eliminate structural constraints associated with poverty and low income.

2.3. Financial education and economic well-being

The relationship between financial education and household economic growth should be understood primarily through management and well-being indicators: the balance between income and expenditure, saving capacity, investment, fulfilment of financial commitments and resilience to unexpected events. The study adopts this household-level perspective and does not measure the municipality's macroeconomic growth.

3. METHODOLOGY

The original research was classified as applied, quantitative, descriptive and explanatory. The target population consisted of households in the Municipality of Uíge, and the study considered a sample of 169 households, calculated using the Bernoulli formula, as described in the dissertation.

Data were collected through a structured questionnaire covering sociodemographic profile, income, financial knowledge, household budgeting, expenditure control, savings, consumption, investment, indebtedness, financial inclusion and perceptions of changes in household economic conditions. Data processing relied on descriptive statistics using Microsoft Excel.

The analysis in this article is documentary and secondary: it reorganises the findings presented in the dissertation without adding observations, interviews or statistical tests not contained in the original work. Consequently, the results describe reported frequencies and perceptions and cannot, on their own, establish causality between financial education and income growth.

4. RESULTS AND DISCUSSION

4.1. Financial knowledge and household budgeting

Indicator	Reported result
Had heard of financial education	63%
Rated financial knowledge as low or very low	61%
Unable to prepare a household budget	54%
Regularly monitor household expenses	25%

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The data reveal a gap between awareness of the concept of financial education and the ability to put it into practice. Although 63% had heard of the subject, 61% rated their own knowledge as low or very low. The difficulty in preparing a budget, reported by 54%, and regular monitoring of expenditure, practised by only 25%, indicate that familiarity with the term does not necessarily correspond to consolidated practical skills.

This finding suggests that financial education initiatives should prioritise simple, contextualised exercises: recording income, classifying essential and non-essential expenses, setting priorities and planning monthly commitments. Training should take account of irregular earnings and informal economic activities.

4.2. Savings, consumption and household debt

Indicator	Reported result
Households without regular saving habits	58%
Save monthly	24%
Keep savings outside the formal financial system	58%
Frequent impulse purchases	60%
Income always covers expenses	33%
Income covers expenses only occasionally	59%
Households with some level of debt	58%
Difficulty meeting debt payments	36%

The absence of regular saving habits, observed among 58% of participants, indicates limited capacity to build financial reserves. The fact that 58% keep resources outside the formal financial system highlights the importance of informal saving mechanisms, while also pointing to the need to expand trust, accessibility and suitability of financial services.

In consumption, 60% of respondents reported frequent impulse purchases. At the same time, only 33% stated that income always covers expenses, while 59% said this happens only occasionally. These figures suggest that many households have limited financial room. Debt reported by 58% and payment difficulties reported by 36% reinforce the need for better financial planning, while recognising that low income also constrains the ability to meet obligations.

4.3. Investment, financial inclusion and perceived improvement

Indicator	Reported result
Had made some form of investment	77%
Use digital financial services	69%
Consider their economic situation improved	45%
Recognise the contribution of financial education to well-being	59%

The results also reveal positive signs: 77% of participants had made some form of investment and 69% used digital financial services. However, the use of digital channels should not automatically be equated with mastery of financial products or full financial inclusion. The 45% who perceived an improvement in their economic situation also shows that the perception of progress is not universal.

A relative majority of respondents recognised that financial education can improve household economic life through budget management, encouragement of savings, debt reduction and greater investment capacity. Taken together, the findings point to the need to combine financial education with policies that support income, access to services and economic opportunities.

5. CONCLUSION

The research indicates that financial education is associated with relevant dimensions of household economic behaviour in the Municipality of Uíge. Although a significant share of participants were familiar with the expression financial education, limitations remain in budgeting, expenditure monitoring and saving. Indebtedness and impulse purchases are additional sources of vulnerability.

The findings also reveal positive aspects, particularly the fact that 77% of respondents had made investments and 69% used digital financial services. These elements demonstrate economic initiative and engagement with financial services, although they coexist with management difficulties and income constraints.

It is concluded that financial education can contribute to more informed household decisions, but it should not be presented as a standalone solution to structural income problems. The Municipal Administration, educational institutions, banks and community organisations should promote practical initiatives on budgeting, saving, responsible credit and digital transaction security. Future studies should use statistical cross-tabulations and longitudinal follow-up to test more precisely the relationship between financial literacy and changes in household well-being.

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