

Assessing the Impact of Financial Literacy on Savings Behavior in the Informal Sector

Emmanuel Sibanda, Tendekai Ashley Muzavazi, Tsepeso Setoboli, Nothando Tshuma

National University of Science and Technology, Bulawayo, Zimbabwe

DOI: <https://dx.doi.org/10.47772/IJRISS.2025.9010235>

Received: 03 January 2025; Accepted: 07 January 2025; Published: 15 February 2025

ABSTRACT

Financial literacy is a crucial determinant of economic stability and growth, particularly in the context of Zimbabwe's economic development. A well refined understanding of financial of financial concepts enables individuals to optimize resource allocation, thereby promoting both personal and national economic well-being. Thus, quantitative study investigates the relationship between financial literacy and savings behaviour among informal sector participants in Zimbabwe, utilizing a purposive sample. The empirical findings reveal a statistically significant positive correlation between financial literacy and savings propensity, indicating that individuals with higher educational literacy exhibit more robust savings behaviours. These results underscore the pivotal role of financial education in enhancing savings habits among informal sector workers. The findings inform policy recommendations for stakeholders, including policy makers, financial institutions, and educational entities, to develop targeted financial literacy initiatives. Such interventions are critical for fostering improved financial management, increasing, increasing savings rates, and ultimately contributing to Zimbabwe's economic stability and growth. Future research directions include longitudinal studies to capture temporal dynamics and qualitative investigations to provide deeper insights into individual savings behaviours and financial decision-making processes.

Keywords: financial literacy, savings behaviour, informal sector, purposive sampling

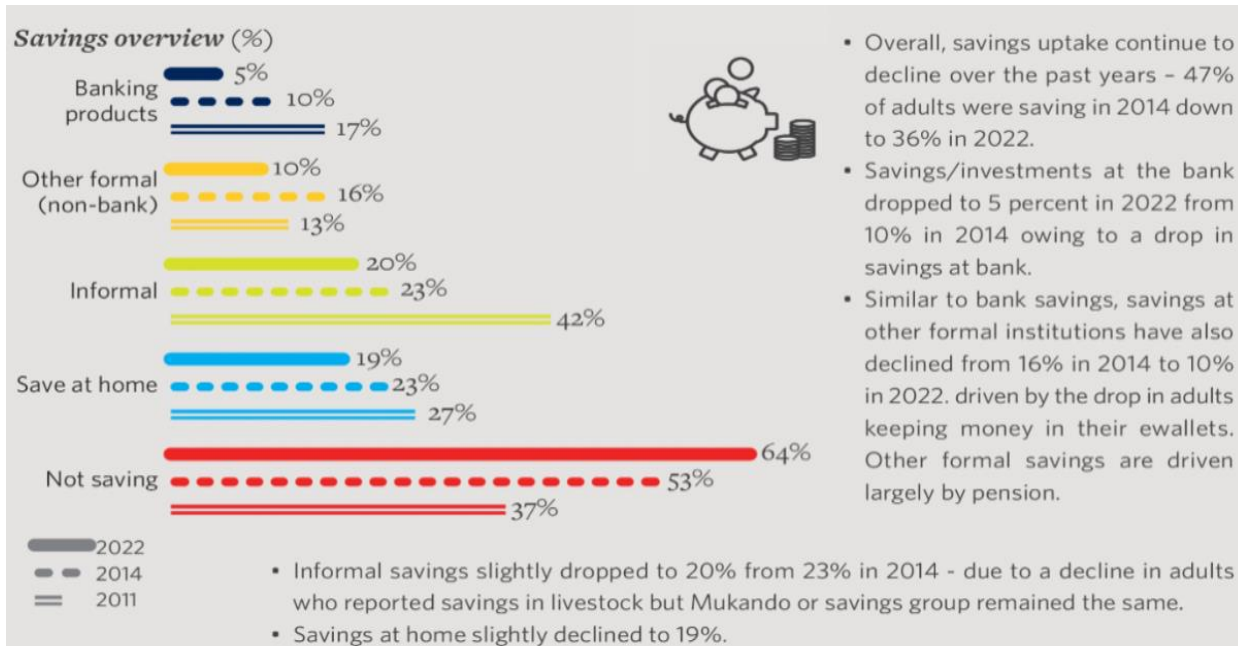
INTRODUCTION

Financial literacy is a vital component of economic stability and growth, particularly in the context of Zimbabwe's economy (Murendo & Mutsonziwa, 2016; Gopoza, 2020). It is well documented that financial literacy is essential for ensuring a secure future, enhancing living standards, and achieving macroeconomic stability (Elbadawi & Mweya, 2000; Toure, 2005; Manasseh, 2024). In contrast, emerging lower middle-income economies, such as Zimbabwe, face heightened poverty levels due to limited savings among the population, exacerbated by prevailing economic hardships. The current research investigates the impact of financial literacy on personal savings among individuals employed in Bulawayo Town's informal sector. Financial instability and insecurity are rampant among many Zimbabweans, hindering their ability to achieve future financial goals due to insufficient financial knowledge and understanding. This deficiency has a direct negative impact on their savings behaviour and financial decision-making processes. Existing research highlights the importance of financial literacy in promoting positive saving behaviours (Humid & Locke, 2021; Vijayvargy & Bakhshi, 2018)

The study is supported by several theories, including the Theory of Planned Behaviour, the Life Cycle Hypothesis, and the Permanent Income Hypothesis. The underlying theory of this study is the Theory of Planned Behaviour by Ajzen 1995, which assumes that individuals engage in certain behaviours because they intend to do so. The theory posits that behaviour is influenced by subjective norms, attitudes towards the behaviour, and perceived behavioural control. Zimbabwe's informal sector presents unique challenges and opportunities regarding financial literacy and savings behaviour (ZIMSTAT, 2019). The informal sector is characterized by income instability, limited access to formal financial services, and low financial literacy levels. Economic instability and episodes of hyperinflation have further complicated the financial landscape, making it imperative for individuals to develop robust savings strategies to safeguard their financial futures

(Makoni, 2020). This study aims to contribute to the existing body of knowledge on financial literacy and savings behaviour, with a focus on the informal sector in Zimbabwe.

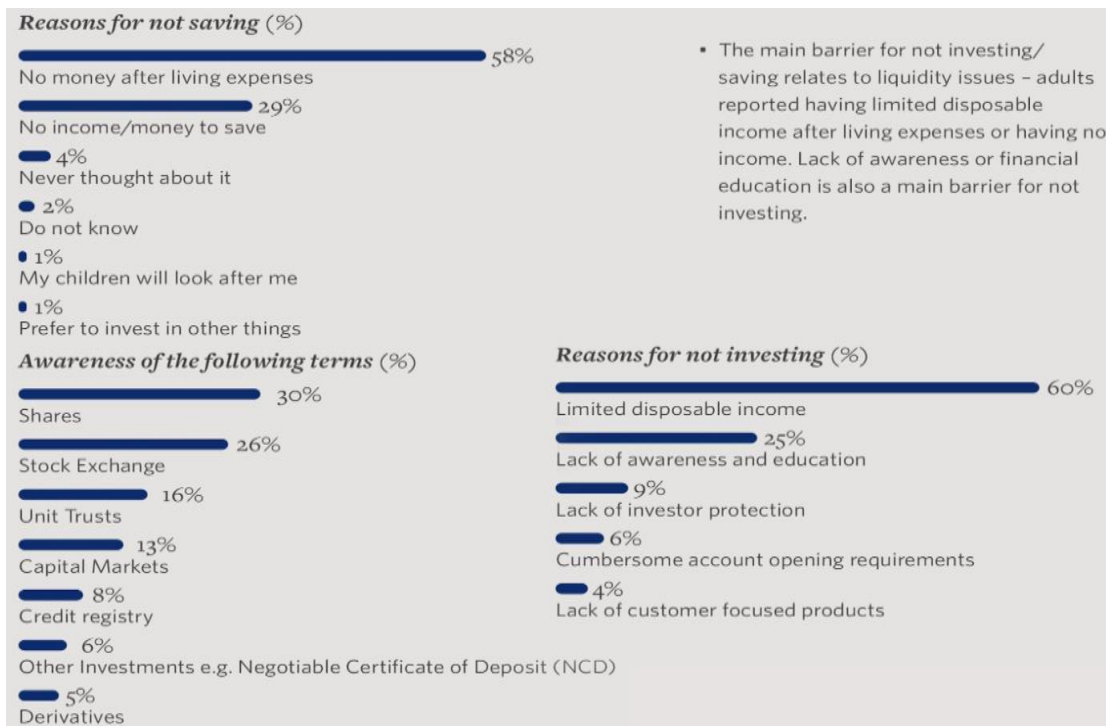
Figure 1.1: Savings Overview



Source: Zimbabwe Fin-Scope Consumer 2022 Survey Report.

An analysis of the Fin-Scope Survey data (2011, 2014, and 2022) reveals notable trends in savings and investments in Zimbabwe. Specifically, the data indicate a decline in formal savings, with the proportion of individuals saving at a bank decreasing from 10% in 2014 to 5% in 2022. Conversely, the use of informal saving mechanisms has remained relatively stable, with a slight decline from 23% to 19% over the same period. These findings suggest a persistent preference for informal saving mechanisms among Zimbabweans, highlighting the need for targeted interventions to promote formal savings and financial inclusion.

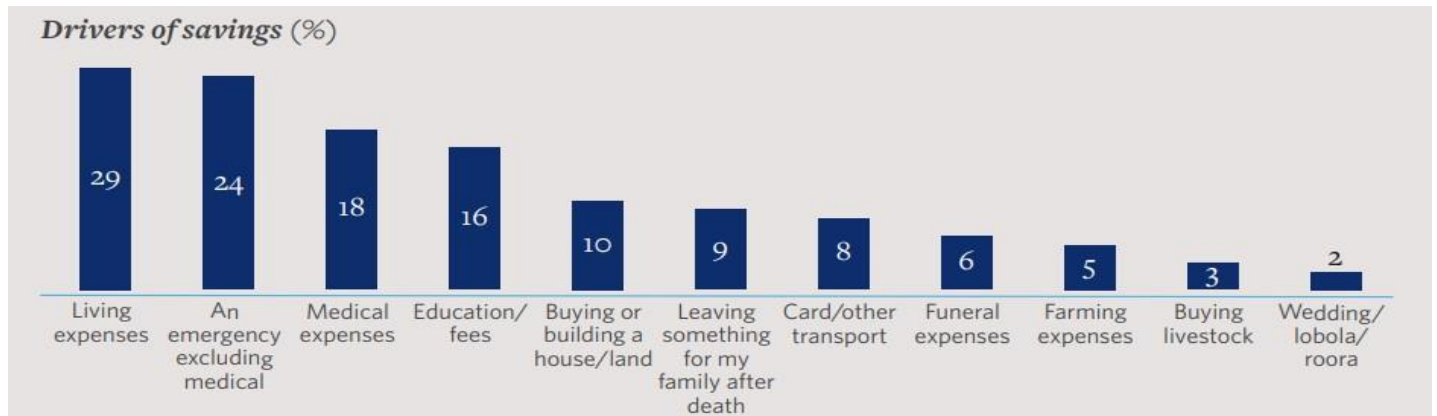
Figure 1.2: Reasons for not saving and investing



Source: Zimbabwe Fin-Scope Consumer 2022 Survey Report.

A significant concern underlying the reluctance to save among the surveyed population (Fig 1.2) was the prevalence of financial constraints. Specifically, 58% of respondents reported that they were left with no disposable income after meeting their living expenses, while a notable proportion (29%) cited a complete lack of income or savings as the primary reason for not saving. Furthermore, the data revealed that limited disposable income was a major deterrent to investing, with 60% of respondents citing this as the primary reason. Additionally, a quarter of the surveyed population acknowledged a lack of awareness and education regarding investment opportunities, highlighting the need for financial literacy initiatives. This finding underscores the importance of exploring the impact of financial literacy on individual savings behaviour within the informal sector of Bulawayo town, which is a key objective of this study.

Figure 1.3: Drivers of savings (%)



Source: Zimbabwe Fin-Scope Consumer 2022 Survey Report.

The researcher noted that, of people in Zimbabwe who save, they consider living expenses, medical expenses and other emergencies as their key driving motives to save as shown in the figure above.

Financial well-being is crucial for managing cash flow and smoothing out consumption, particularly among the less fortunate (Karlan *et al.*, 2014). Research has consistently shown that saving money can enhance economic resilience and reduce susceptibility to poverty (Klasen *et al.*, 2015). Therefore, saving is essential for individuals to steer clear of poverty, enhance their quality of life, and foster economic growth and progress. This study aims to investigate the impact of financial literacy on individual savings in the informal sector of Bulawayo, Zimbabwe. The study seeks to contribute to the existing body of knowledge on financial literacy and saving behaviour with a focus on the informal sector. The findings of this study are valuable for various stakeholders, including policy makers, financial professionals and the general public. The theoretical framework underpinning this study is the Theory of Planned Behaviour (TPB), which posits that individuals engage in specific behaviours because they intend to do so (Ajzen, 1991). The TPB suggests that behavioural intentions are shaped by subjective norms, attitudes toward the behaviour, and perceived behavioural control. This theory is highly relevant to this research as it will help evaluate the connection between financial literacy and savings.

This study aims to address a gap in the existing literature by focusing on the informal sector in Bulawayo, Zimbabwe. Most studies have focused on developed and developing countries, particularly in the formal sector, rather than the informal sectors where many people are influenced by various factors. The Theory of Planned Behaviour has been applied to predict behaviour and intentions across various contexts. Despite its strong predictive power for behaviour compared to the Life Cycle Theory, critics have pointed out several limitations, including the failure to account for external factors, emotions, and social influences that shape behaviour (Wayne & LaMorte, 2022). The Life Cycle Theory (LCT), established by Modigliani and Brumberg (1954), posits that individuals make informed decisions about their spending habits based on their lifetime resources. The theory assumes that individuals accumulate wealth during their working years to support their consumption in old age. However, the LCT overlooks the challenges individuals face, such as uncertainties in income and expenses, and assumes that individuals have a stable and predictable income trajectory (Nunoo & Andoh, 2012).

Further, the Permanent Income Hypothesis (PIH), developed by Friedman (1957), suggests that individuals' consumption changes relative to their income at any given time. However, researchers have pointed out several challenges, including the assumption that people maintain consistent preferences over time and make decisions based on their long term expected income. In reality, current living standards may necessitate different priorities than future standards, leading to deviations from predicted priorities. Financial literacy is a crucial factor in guiding individuals to make informed decisions about their financial resources. Financial literacy encompasses financial knowledge, financial behaviour, and financial attitude (Lusardi & Mitchell, 2014). For the purposes of this study, financial literacy will be defined as an individual's capability and confidence to make prudent financial decisions, guided by an understanding of basic financial concepts and simple calculations, coupled with responsible behaviour and attitude in managing available resources.

Savings behaviour is influenced by factors such as income, financial objectives, social norms, and financial knowledge. Saving money helps individuals cover unforeseen expenses, build wealth, and achieve specific financial goals (Xio *et al.*, 2013). Understanding the impact of financial literacy on savings behaviour is crucial for promoting financial well-being and stability. This research aimed to uncover the underlying influences that affect decision making.

The existing literature has investigated the relationship between financial literacy and savings behaviour in various contexts. Studies conducted in Asia, such as Peiris (2021) in Sri Lanka and Mahdzan and Tabiani (2013) in Malaysia, revealed a direct and positive correlations between financial literacy and savings. Similarly, Murendo and Mutsonziwa (2016) found that financial literacy raises the likelihood of saving in Zimbabwe. However, these studies had notable deficiencies, including limited sample sizes and non-responses to questionnaires. Furthermore, the studies focused on the general population, with little attention paid to the informal sector. Thus, research aims to address the gap in existing literature by seeking to understand the relationship between financial literacy and savings behaviour among individuals in the informal sector, where socio-economic demographic factors, social norms, ease of access to financial services, economic conditions, and political situations can influence savings behaviour. By exploring the relationship, this study aims to provide insights into the development of policies and programs that enhance financial literacy and promote positive savings habits among individuals in the informal sector.

RESEARCH METHODS

Research Design, Sampling and Data Collection Method

This study employed a quantitative research approach, utilizing primary data collected through questionnaires administered to forty respondents in the informal sector of Bulawayo, Zimbabwe. The sample size was determined using the Yamane (1967) approach, and respondents were selected using purposive sampling to ensure a comprehensive range of perceptions and experiences. Primary data was collected through questionnaires consisting of both open-ended and closed ended questions ensured that respondents stayed focused on the main topic, while open ended questions allowed for more detailed and refined responses.

Data Analysis, Diagnostic Tests and Regression Results

The data was analysed using IBM SPSS Statistics 27.0.1, and according to Pallant (2020), a powerful software tool widely used for statistical analysis in social science research. Descriptive statistics, correlation analysis, and multiple linear regression analysis were conducted to examine the relationship between financial literacy and savings behaviour. Correlation analysis was conducted to examine the relationship between financial literacy and savings behaviour, and multiple linear regression analysis was used to assess the impact of financial literacy on individual savings.

RESULTS AND DISCUSSION

Descriptive statistics: Unveiling the savings patterns in the informal sector

This section presents a comprehensive analysis of the descriptive statistics, providing insightful summaries of the data distribution. The sample size (n) on forty respondents offers a representative snapshot of the informal

sector’s savings habits. The average monthly income of respondents is approximately \$288.83, with an average savings of \$52.08, representing 18.03% of their income. Notably, this savings rate is lower than the estimated 35% to 45% saved by informal traders in South Africa (South African Reserve bank, 2023). The median amount saved is \$20, indicating that half of the respondents save less than \$20, while the other half save more. The mode amount saved is \$0, suggesting that most respondents do not save.

The minimum amount saved is a negative \$200, indicating debt or overdraft, while maximum amount saved is \$500. This substantial disparity highlights the wide range of savings habits within the informal sector. Similarly, the average income ranges from \$0 to \$800 per month, underscoring the significant income inequality within this sector. The average financial literacy rating is 2.15, indicating a moderate level of financial awareness. However, the median rating is also moderate, suggesting that financial literacy is not a significant differentiator among respondents.

The descriptive statistics reveal a complex savings landscape in the informal sector, characterized by low savings rates, significant income disparity, and moderate financial literacy. To improve savings, habits and financial inclusion in this sector, policymakers and stakeholders should consider implementing targeted financial education programs, savings incentives, and income-generating initiatives.

Diagnostics tests

Table 4.1: Assessing Multicollinearity: Implications for Model Specification

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-51.514	73.638		-.700	.489		
	Financial Literacy	55.413	22.395	.327	2.474	.018	.820	1.220

a. Dependent Variable: Amount saved

Source: Researcher’s own analysis using SPSS

The results of the multicollinearity test, presented in Table 4.1, indicate that the independent variables exhibit satisfactory tolerance values (< 0.1) and variance inflation factor (VIF) well below the conventional thresholds of 10 (Belsley, 1991) and 5 (Hair et al., 2010). These findings suggest that the null hypothesis of no multicollinearity cannot be rejected, implying that the independent variables do not exhibit significant correlations with each other, thereby validating the model’s specification. These results are consistent with those reported in similar studies, which also found low levels of multicollinearity among independent variables in regression models. The multicollinearity test results suggest that the independent variables in the regression model do not exhibit significant correlations with each other, thereby validating the model’s specification. These findings are consistent with existing literature and provide confidence in the reliability of our results.

Table 4.2: Assessing Autocorrelation: Implications for Model Reliability

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.705 ^a	.498	.440	78.802	2.111

a. Predictor: (Constant), Financial Literacy
b. Dependent Variable: Amount saved

Source: Researcher’s own analysis using SPSS

The Durbin-Watson (DW) statistic, presented in Table 4.2, yields a value of 2.111, which is remarkably close to the threshold of 2. This outcome suggests that the residuals of the regression model do not exhibit significant autocorrelation (Gujarati & Porter, 2009). Specifically, the DW statistic falls within the acceptable range, indicating that the null hypothesis of no autocorrelation cannot be rejected (Wooldridge, 2013).

These findings are consistent with those reported in similar studies, which have also employed the DW statistic to assess autocorrelation in regression models. The absence of significant autocorrelation in the residuals suggests that the model’s estimates are reliable and not biased by serial correlation. This outcome lends credibility to the model’s findings and provides confidence in the results as the test results indicate that the model does not suffer from autocorrelation, thereby validating the reliability of the estimates.

Autocorrelation, if present, would violate the Gauss-Markov assumptions, leading to inflated test statistics and incorrect conclusions about variable significance. In this context, the lack of autocorrelation indicates that residuals are independent, meaning past values do not influence current values. This validation supports the reliability of inferences drawn from the model, particularly for time-series or panel data. However, the Breusch-Godfrey test was not carried to confirm these findings and ensure robustness in residual behavior as the model did not use lagged dependent variables or dynamic specifications.

Table 4.3: Assessing Heteroskedasticity: Implications for Model Reliability

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.000	1	.000	.000	1.000 ^b
	Residual	217340.782	38	6209.737		
	Total	217340.782	39			
a. Dependent Variable: Residuals Squared						
b. Predictor: (Constant), Financial Literacy						

Source: Researcher’s own analysis using SPSS

The results of the Breusch-Pagan test, presented in Table 4.3, indicate that the null hypothesis of homoskedasticity cannot be rejected. Specifically, the R-squared value of 0.000 suggests that the independent variables do not explain any significant portion of the variance in the squared residuals (Gujarati & Porter, 2009). Furthermore, the F-statistic of 0.000 and the corresponding p-value of 1.000 provide strong evidence against the presence of heteroskedasticity (Wooldridge, 2013).

These findings are consistent with those reported in similar studies, which have also employed the Breusch-Pagan test to assess heteroskedasticity in regression models and the absence of heteroskedasticity suggests that the model’s estimates are reliable and not biased by non-consistent variance. This outcome lends credibility to the model’s findings and provides confidence in the results.

Heteroskedasticity, if present, would lead to inefficient estimators and unreliable statistical tests, making it critical to address via robust standard errors or generalized least squares (GLS). The absence of heteroskedasticity in this case confirms the reliability of the model, affirming that the residuals’ variance does not vary systematically with changes in the independent variables. The White test is used to validate such findings but the study did not take the extra step to safeguard against any overlooked forms of heteroskedasticity as the study utilized a small dataset.

Assessing the Goodness of Fit: Implications for Model Efficacy

The results of the regression analysis, presented in Table 4.2, indicate that the model yields an R-Squared value of 0.498. This suggests that approximately 49.8% of the variation in the amount saved is collectively explained by the independent variables. While this proportion is statistically significant, it also implies that 50.2% of the variance remains unexplained by the model, potentially indicating the presence of omitted variables. The relatively moderate R-Squared value is consistent with the expectations in social sciences research, where complexity of human behavior and social systems often yields lower R-Squared values, typically ranging from 0.3 to 0.5 (Cohen et al., 2013). Given the study’s objective of exploring the relationship between variables, the significance of individual predictors, as indicated by their p-values, takes precedence over the overall R-Squared value. The Goodness of Fit results suggest that while the model provides a satisfactory explanation of the variation in the amount saved, there may be additional factors influencing

savings that are not captured by the model. The findings underscore the importance of considering the complexity of human behavior and social systems when interpreting the results of regression analyses.

Results Interpretation

Table 4.4: Summary of Correlation tests results

		Amount saved	Financial Literacy
Amount saved	Pearson Correlation	1	.258
	Sig. (2-tailed)		.107
	N	40	40
Financial Literacy	Pearson Correlation	.258	1
	Sig. (2-tailed)	.107	
	N	40	40

Source: Researcher’s own analysis using SPSS

The correlation test results presented in Table 4.4 reveal a statistically significant positive correlation between financial literacy and the amount saved ($r=0.258$, $p=0.107$). This finding suggests that as financial literacy increases, the amount saved also tends to increase. Although the correlation coefficient is moderate, the positive relationship between financial literacy and savings is consistent with existing literature, which emphasizes the importance of financial knowledge in promoting savings behaviour (Lusardi & Mitchell, 2014). The finding suggests that interventions aimed at improving financial literacy, such as financial education programs, may be effective in promoting savings behaviour among individuals.

Regression Analysis

Table 4.5: Assessing the impact of financial literacy on Savings: Regression results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-51.514	73.638		-.700	.489
	Financial Literacy	55.413	22.395	.327	2.474	.018

Model Summary ^a										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.705 ^b	.498	.440	78.802	.498	8.669	1	38	.000	2.111

a. Dependent Variable: Amount saved
b. Predictor: (Constant), Financial Literacy

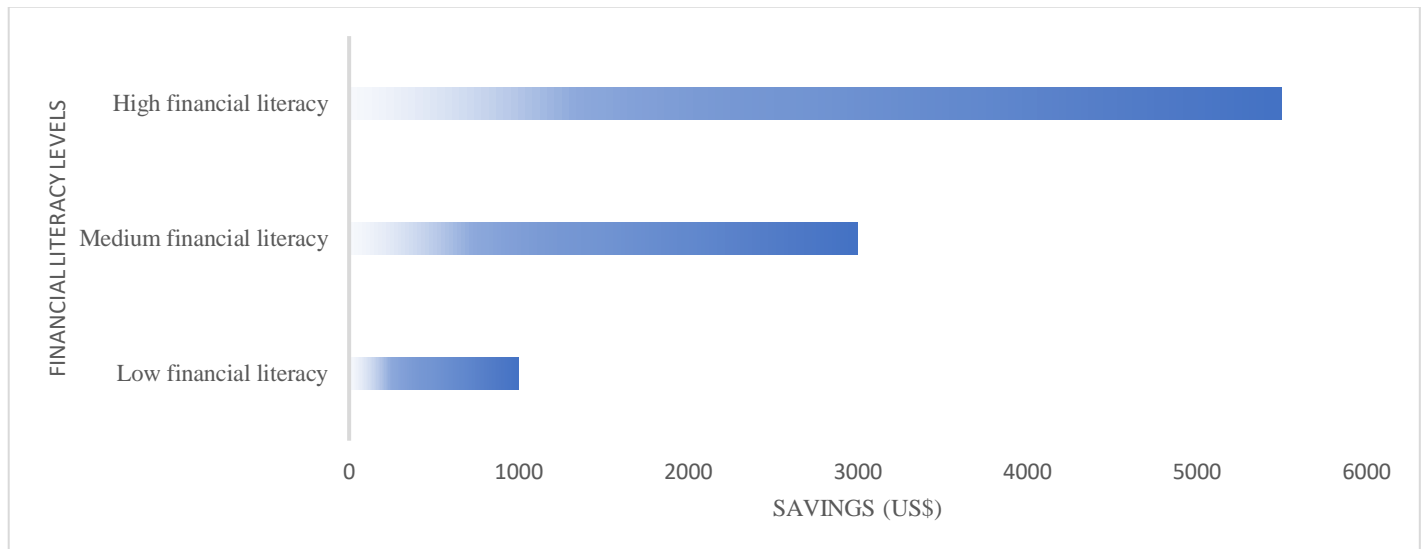
Source: Researcher’s own analysis using SPSS

The estimated regression results presented in Table 4.5 reveal a statistically significant positive relationship between financial literacy and savings. The coefficient for financial literacy (55.413) indicates that a one-unit change in financial literacy rating is associated with a 55.413 unit increase in the amount saved, ceteris paribus. The positive Beta value (0.327) suggests a moderate positive relationship between the two variables. These findings provide strong evidence to reject the null hypothesis, confirming that financial literacy has a significant impact on individual savings behaviour. The results of this study are consistent with the empirical evidence reported in similar studies, both in Zimbabwe and internationally. For instance, Murendo and Mutsonziwa (2016) found a positive relationship between financial literacy and savings in Zimbabwe. However, the study by the duo focused on the formal sector and also obtained the same results. Similarly,

studies in developed countries have also reported a significant positive relation between financial literacy and savings behaviour (Lusardi & Mitchell, 2014; Huston, 2010).

The findings of this study have important implications for policymakers and practitioners seeking to promote savings behaviour among individuals. The results suggest that financial literacy programs can be an effective tool in promoting savings behaviour, particularly in the informal sector of developing countries like Zimbabwe, where financial literacy levels are often low.

Graph 1: Impact of financial literacy on savings



Source: Researchers' own analysis

Results presented in Graph 1 indicate that the relationship between financial literacy levels and savings is positively correlated, as indicated by the savings amounts at different literacy levels. Individuals with low financial literacy exhibit limited understanding of budgeting, saving mechanisms, and the benefits of financial planning. They are less likely to prioritize savings or take advantage of formal financial services, relying heavily on short-term consumption and informal savings methods, resulting in minimal accumulation of savings, leaving them vulnerable to financial shocks. On one hand, individuals with moderate financial literacy demonstrate improved knowledge of financial products and the importance of savings. They are more likely to save systematically, whether through informal savings groups or basic banking services. However, their financial strategies may still lack diversification or optimization, limiting the growth of their savings. On the other hand, highly literate individuals possess a strong grasp of financial concepts, enabling them to utilize advanced savings instruments and strategies, such as investment-linked savings or high-yield accounts. They exhibit disciplined saving behaviour, maximizing returns while mitigating risks.

CONCLUSION AND RECOMMENDATIONS

This study investigated the impact of financial literacy on individual savings among individuals in the informal sector of Bulawayo town. The empirical findings reveal a statistically significant positive correlation between financial literacy and savings, suggesting that enhanced financial literacy is associated with increased savings. This outcome aligns with the theoretical expectation that individuals with higher financial literacy tend to exhibit better financial management skills, including savings. This study's results also highlight the complexities of the informal sector, characterized by irregular incomes, limited access to formal financial literacy. These factors can impede the relationship between financial literacy and savings, underscoring the need for targeted interventions to improve financial inclusion and literacy in this sector. Based on the study's findings, the following policy recommendations are proposed, financial literacy programs, that are implemented through targeted financial literacy programs tailored to the needs of individuals in the informal sector, focusing on basic financial concepts, budgeting, and savings strategies. Furthermore, financial inclusion initiatives could be promoted, such as mobile banking and microfinance services, to increase access to formal

financial services for individuals in the informal sector. Given that incomes dwindle and are not consistent, income stabilization mechanisms could be put in place. Unemployment insurance or income support programs could be explored, to mitigate the impact of income variability on savings behaviour. Moreover, collaboration and partnerships could be fostered between policymakers, financial institutions and non-governmental organizations to develop and implement effective financial literacy and inclusion programs.

Authorities responsible should create and execute extensive financial education programs customized for the informal sector in Bulawayo town. These programs should concentrate on practical financial abilities like budgeting, saving, and comprehending inflation. Policies should be established to incentivize informal sector workers to save through formal financial institutions. Such initiatives could include offering tax breaks or matching contributions. Regulations should be reinforced to safeguard consumers using informal financial services and motivate them to transition to formal financial channels through education and incentives.

Mobile banking has the potential to enhance access to financial services, making it simpler for informal sector workers to save and manage their finances. Zimbabwe can encourage the use of mobile banking platforms by improving the existing platforms to provide convenient financial services to the unbanked population (Jack and Suri, 2011). In developed nations, digital wallets and mobile apps that track spending, offer budgeting tools and automate savings have become popular (Kaiser and Menkhoff, 2017). Zimbabwe could adopt similar technologies tailored to the needs of its informal sector. There are online platforms and mobile applications that provide interactive financial education modules. These could include games, videos, and quizzes to make learning about financial concepts engaging and accessible. Lusardi (2019), mentioned that in the United States (U.S.), there are programs like EverFi that offer digital financial literacy courses widely used in schools and workplaces.

Similar to the automatic enrolment pension scheme in the United Kingdom, which significantly increased retirement savings participation, banks, companies, and the National Security Service in Zimbabwe should utilize automatic enrollment in savings plans and default options to encourage saving without requiring active decisions from individuals. These behavioral nudges can significantly boost savings rates by simplifying the decision-making process and leveraging defaults (Thaler and Sunstein, 2008). In Zimbabwe, savings products that restrict access to funds until specific goals are met should be introduced, helping individuals avoid the temptation to spend savings prematurely. Thaler and Benartzi (2004) mentioned the Save More Tomorrow program in the U.S., which automatically increases savings contributions when individuals receive salary raises; these commitment devices can help individuals adhere to their savings goals by reducing the availability of funds for non-essential spending.

Universities should incorporate financial literacy education into their curriculum across various disciplines, ensuring that students graduate with essential financial management skills. They can also research to evaluate the effectiveness of financial literacy interventions in the informal sector and assess their impact on individual savings. Collaboration with local communities and organizations is essential to provide financial literacy workshops and resources to informal sector workers, leveraging university expertise and resources. The public themselves should also promote a culture of saving through community initiatives, peer support networks, and acknowledging successful savers within the community. The public needs to be educated about the benefits of digital financial tools and be encouraged to use mobile banking and digital savings platforms to make saving more convenient and accessible.

Suggestions for future studies

Future research should focus on longitudinal studies to examine the dynamic relationship between financial literacy and savings behaviour in the informal sector over time. Intervention studies can be designed to assess the impact of financial literacy programs on savings behaviour and financial well-being.

REFERENCES

1. Ajzen, I. & Fishbein, M. (1980). *Understanding attitudes and predicting social behaviour*, Englewood Cliffs, NJ Prentice-Hall.

2. Ajzen, I. (1991). The Theory of Planned Behaviour. *Organizational behaviour and human decision processes*, 50.2 (1991 - 179-211)
3. Ajzen, I. (2005). *Attitudes, personality and behaviour*, Open University Press, Second Edition, McGraw Hill Education.
4. Ando, A. and Modigliani, F. (1963). The "Life Cycle" Hypothesis of Saving: Aggregate Implications and Tests. *The American Economic Review*, 53(1), pp. 55-84.
5. Armitage, C. J. & Conner, M., (2000). Social cognition models and health behaviour: a structural review, *British Journal of Social Psychology*, 40, 471-499.
6. Atkinson, A and Messy, F.V. (2012). Measuring Financial Literacy: Results of the OECD/International Network on Financial Education (Infer) Pilot Study. *OECD Working Papers on Financial Education Insurance and Private Pensions*, vol. 15, pp. 7-73.
7. Bryman, A. and Cramer, D., (2011). *Quantitative Data Analysis with IBM SPSS 17, 18, & 19: A Guide for Social Scientists*. London: Routledge.
8. Coltart in Chronicle (2024). Bulawayo City Council Gives Vendors Ultimatum.
9. Cronbach, L.J., (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*, 16(3), pp.297-334.
10. Field, A., (2018). *Discovering Statistics Using IBM SPSS Statistics*. 5th ed. London: SAGE Publications.
11. Friedman, M., (1957). A theory of the consumption function, Princeton, NJ, Princeton University Press <http://www.nber.org/chapters/c4405>, pp20-37.
12. Friedman, M., (1957). *A Theory of the Consumption Function*. Princeton University Press.
13. Gliem, J. A., & Gliem, R. R. (2003). Calculating, Interpreting and Reporting Cronbach's Alpha Reliability Coefficient for Likert- Type Scales. In *Midwest Research to Practice Conference in Adult, Continuing and Community Education* (pp. 82-88). Columbus.
14. Gopoza, T. (2020). Financial literacy as a key driver of financial inclusion in Zimbabwe. *African Journal of Finance and Management*, 29(1), 45-58.
15. Guo, L. Xiao, J.J. & Tang, C., (2009). Understanding the psychological process underlying customer satisfaction and retention in a relational service, *Journal of Business Research*, 62, 1152-1159.
16. Hannes, L. Meuleman, M. & Manigart, S. (2009). The planned decision to transfer an entrepreneurial company.
17. Hogarth, J.M (2002). Financial Literacy and Family and consumer Sciences. *Journal of Family and Consumer Sciences*, Vol. 94, No 1, pp.15-28
18. Humid, F.S.& Locke, Y.J. (2021). Financial Literacy, money management skill and credit card repayments. *International IJC*,45920;132-141
19. Jack, W., & Suri, T. (2011). *Mobile Money: The Economics of M-Pesa*. NBER Working Paper No. 16721.
20. Kaiser, T., & Menkhoff, L. (2017). Does Financial Education Impact Financial Literacy and Financial Behaviour, and If So, When? *The World Bank Economic Review*, 31(3), 611-630.
21. Karlan, D., Ratan, A. L., & Zinman, J. (2014). Savings by and for the Poor: A Research Review and Agenda. *Review of Income and Wealth*, 60(1), 36-78. doi:10.1111/roiw.12101
22. Klasen, S., Lechtenfeld, T., & Povel, F. (2015). A Feminization of Vulnerability? Female
23. Kothari, C., R. (2004) *Research Methodology*.
24. Lusardi, A. (2019). Financial Literacy and the Need for Financial Education: Evidence and Implications. *Swiss Journal of Economics and Statistics*, 155(1), 1-8.
25. Lusardi, A. and Mitchell, O, S. (2014). The Economic importance of financial literacy: Theory and Evidence, *Journal of Economic literature*
26. Lusardi, A. and Mitchell, O.S., (2014). The Economic Importance of Financial Literacy: Theory and Evidence. *Journal of Economic Literature*, 52(1), pp. 5-44.
27. Mahdzan & Tabiani (2013), "The impact of Financial Literacy on Individual Saving: An Explanatory Study in the Malaysian Context", *Transformations in Business & Economics*, Vol. 12, No 1 (28), pp 41-55
28. Makoni, P. L. (2020). The Impact of Economic Reforms on Zimbabwe's Informal Sector. *International Journal of Economics and Financial Research*, 6(3), 45-52.

29. Murendo, C. & Mutsonziwa, K. (2016). Financial literacy and savings decisions by adult financial consumers in Zimbabwe. *International Journal of Consumer Studies*, 41(1), 95-103.
30. Nunoo, J., & Andoh, F. K. (2012). Sustaining small and medium enterprises through financial services utilization: does financial literacy matter. Paper prepared for presentation at the Agricultural & Applied Economics Association's 2012 AAEA Annual Meeting.
31. Pallant, J., (2020). *SPSS Survival Manual: A Step-by-Step Guide to Data Analysis using IBM SPSS*. 7th ed. London: McGraw-Hill Education.
32. Pankow, D. (2012). *Financial Values, Attitudes and Goals*.
33. President's Advisory Council on Financial Literacy (PACFL) (2008). 2008 Annual Report to the President Review and agenda. *Review of Income and Wealth*, 60(1), 36–78.
34. Schagen, S., Lines, A. (1996) *Financial Literacy in Adult life: A Report to the NatWest Group Charitable Trust*, pp.33-45.
35. Shim, S., Xiao, J.J. Barber, B., & Lyons, A., (2009). Pathway to life success: a conceptual model of financial well-being for young adults, *Journal of Applied Developmental Psychology*, 30, 708-723
36. South African Reserve Bank. (2023), *Annual report on the informal economy*.
37. Tavakol, M. and Dennick, R., (2011). Making sense of Cronbach's alpha. *International Journal of Medical Education*, 2, pp.53-55.
38. Thaler, R. H., & Benartzi, S. (2004). Save More Tomorrow: Using Behavioral Economics to Increase Employee Saving. *Journal of Political Economy*, 112(S1), S164-S187
39. Thaler, R. H., & Sunstein, C. R. (2008). *Nudge: Improving Decisions About Health, Wealth, and Happiness*. New Haven: Yale University Press.
40. Ushan I. Peiris (2021), Effect of financial literacy on individual savings behaviour, the mediation rule of intention to savings.
41. Wafula, I.W. (2017). Effect of financial literacy on financial inclusion among small-scale farmers in Trans Nzoia Country. Unpublished MBA project, University of Nairobi.
42. Wayne W. LaMorte, MD, PhD, MPH (2022), *Behavioral Change Models. The Theory of Planned Behaviour*. Date last modified: November 3, 2022. Boston University School of Public Health.
43. Xiao, J.J., (2015). Consumer financial capability and economic well-being, *International Series on Consumer Science*, 45-60.
44. Xiao, J.J., Tang, C., Serido, J. & Shim, S., (2011) Antecedents and consequences of risky credit behaviour among college students: Application and extension of the theory of planned behaviour, *Journal of Public Policy and Marketing*, 30(2), 239-245.
45. Zimbabwe Fin-Scope Consumer 2022 Survey Report.
46. ZimStat (2019). Zimbabwe National Statistics Agency. National Report
47. ZimStat Population Census 2022.