Enhancing Financial Capability for Quality Access and Usage of Financial Services

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ABSTRACT

The study involved data from workers in the Techiman Municipality in the Bono East Region of Ghana. Specifically, the study explores financial literacy, financial skills, financial attitudes, and financial behaviour on financial capability workers and how income and educational level affect financial capability using financial services. Using a convenient sampling method, a total of 600 respondents were selected for the study. Regression Analysis performed to establish the direct relations whiles and moderation effects of income and education are undertaken to observe indirect relationship.

The study reveals that; generally, a significant relation and effect exist between financial education and financial capability; Specifically, there is a significant relationship between financial literacy and financial capability, there is a significant relationship between financial skills and financial capability, there is a significant relationship between financial behaviour and financial capability, there is a significant relationship between financial attitude and financial capability. Moreover, financial behaviour mediates financial skills and financial capability. However, both income and formal education are insignificant moderators between financial behaviour and financial capability

Keywords: *Financial Capability, Financial Inclusion, Financial Literacy, Financial Skills, Financial Behaviour, Financial Attitudes*

INTRODUCTION

Financial capability has seldomly been a mainstream issue until the global financial crisis. Not much had been known about how participation in financial education measures affects cognitive outcomes such as financial capability. Whiles many are interested in other topics, greater attention to financial capability and the measures that affect financial capability can be significant in preparing individual and institutions for the challenges in financial matters and how to tackle those challenges. The trend, however, is changing positively, and the financial education of individuals and consumers is receiving increasing interest, both in research, business and policymaking. Whiles financial capability is defined Conlon, Peycheva, and Landzaat (2018a) to consist of the financial skills, literacy or knowledge, inspiration and needed to make sound financial choices to maintain good financial health and financial capability, on the other hand, Financial Capability Strategy for the U.K., defines Financial Education as National Endowment For Financial Education (2014) as interventions that cover a broad range of activities, from something as simple as the information printed in a pamphlet to a workshop or comprehensive course to improve understanding of financial issues.

Globally, financial capability issues are slowly but gaining attention by, especially development partners and policymakers. Thus, the concept of financial capability, the use of financial literacy, financial skills, financial knowledge, and financial behaviour in making the best and favourable decision is similar everywhere. In developed countries, such as the USA, segments of the populations face peculiar challenges of which financial capability is needed. With the spending power of $172 billion, a year by the youth and highly financially included, the level of financial capability in general and financial literacy is at low levels. The gap in financial inclusion and financial capability is worrying to the extent that the youth segment is carefree in taking on more debt even under a high-interest rates regime (Norvilitis, Szablicki, & Wilson, 2003; Todd, 2002). Whiles the issue of low financial capability but corresponding high rates of access to financial services by the youth, financial behaviours within the segment are low- Over 31.5.% of high school students either do not save or lack savings account in developed economies like the USA (Mandell, 2005). Also, their access and usage of complex financial services increase steadily over time. However, there are still a number of people who are financially excluded. Data from the Findex database Demirguc-Kunt, Klapper, Singer, Ansar, and Hess (2018) reports that over 1.7 million are still without access to a transaction account; almost two-thirds of those without an account cite insufficient money or funds as the reason in 2017. Again from the Findex database, Demirguc-Kunt et al. (2018) show that 515 million adults globally opened a transaction account, translating to 69% of adults are having a transaction account in 2017, up from 62 % in 2014 and 51% in 2011. Over 1.7 billion people are directly excluded from some opportunities to improve their lives by participating in financial systems. Such people have common similarities and distinct features of poverty, and most are cut off from basic amenities and rights like access to financial services and products. The financially excluded are likely to have low levels of financial capability as well.

There has been an acknowledgement of these low levels of financial capability as undesirable for shared growth and prospects because the excluded population becomes at risk of taking wrong decisions if they cannot make better financial decisions to better their lives whiles stakeholders make efforts with policies and plans that prepare its citizenry for making financial decisions in adulthood, hence the call for activities to improve financial capability. Both Private and Public institutions join hands, first in recognising the importance of measures such as financial literacy, skills, behaviours and attitudes in building a population with high levels of financial capability and secondly in developing national standards and educational activities, and assessment instrument for financial education measures (Jump$tart Coalition, 2006a; National Council on Economic Education (NCEE), 2006). At the educational level, gradually, schools are being encouraged to integrate financial literacy and financial skills concepts into core subjects and teach students within the school's academic curriculum (National Endowment for Financial Education (NEFE), 2005; Pennsylvania Office of Financial Education, 2006). National Council on Economic Education (NCEE) (2005a) more than 15 states requires even students to undertake personal finance courses, and whiles 38 states have at least a standard on financial education course for high school students

In developing countries like Ghana, the low levels of financial capability and the less active roles people play in the economic systems have unbearable consequences for the people who are not shielded from the economic shocks because they admit low or no insurance and investment to serve as mitigating factors (Custers, 2011; Drexler, Fischer, & Schoar, 2014; Goda, Manchester, & Sojourner, 2014; Sayinzoga, Bulte, & Lensink, 2016). Ghana is not entirely different from facing the USA and any other country's challenges with concerns such as consistent rising economic inequalities, gender inequalities, and financial independence over the years.

In Ghana, the financial sector is fast developing with increasingly complex financial products, along with increasing digitisation of financial products. Bruhn M. et. al (2013), whiles the financial and economic systems are growing in complexity by the day and outpacing the financial capability of individuals and families to make informed decision Demirguc-Kunt et al. (2018), financial capabilities and financial inclusion are at low levels generally in Ghana for adults above 15 years. These, coupled with the evidence suggesting economic insecurity arising from the market and economic forces, place the Ghanaian in a risky ``self`` when there have low levels of financial education and consumer protection activities. The low levels of financial capability can cause many difficulties and problems for individuals because Alhabeeb (1999), the financially incapable person is vulnerable to risk, including fraud and bad investment decisions. Even with these threats, the level of studies at national levels on issues of the financial capability, financial inclusion and formulating policies on the area has been low until recently (A. Lusardi, Michaud, & Mitchell. O.S., 2013), with the consequence daring for Ghana and other countries alike.

In recent times Organisation For Economic Co-Operation And Development and Russia's G20 Presidency (2013), several countries have wakened up to the challenges of sophisticated financial products and the need to build capabilities of the people in dealing with financial matters and developed measures and surveys to measure their financial education activities, including, financial knowledge, financial literacy, and financial capability. Alliance For Financial Inclusion (2012), the Central Bank, Bank of Ghana signed onto the MAYA declaration to commit to measures that will enhance financial inclusion and financial capability in Ghana through a peer review scheme and Alliance For Financial Inclusion (2018) the country has also developed a national financial inclusion strategy, to guide its financial inclusion and financial capability activities. Though measures are being taken seriously by policymakers and private stakeholders Zinman (2005) there is not much compelling study that authoritatively finds financial literacy, financial behaviour, financial skills, and financial attitudes as the practical policies needed to enhance the financial capability of the Ghaianian. Again, inconclusive findings do not provide a convincing argument for financial education measures as the best policies for financial capability and wellbeing (Fox, Bartholomae, & Lee, 2005; A. Lusardi & O.S. Mitchell, 2014).

But it has been established that a financially capable individual is better for the economy because they make well informed and better financial decisions; stakeholders in Ghana and worldwide are and taking responsibilities in promoting financial capability and financial inclusion. There is a need for researchers to examine the essential aspects of behavioural and non-behavioural determinants of the general financial wellbeing and the financial capability of the people.

This research explores the effects and relationship between Financial literacy, financial skills, financial behaviour and financial attitude (loosely regarded as financial education actions) on financial capability levels of workers in Ghana broadly. Also, the study seeks to explore the effect of financial skills on financial behaviour in the determination of the Financial Capability of workers in Ghana. The findings provide data on practical relevance for financial services providers, policymakers, and stakeholders in the financial inclusion agenda.

LITERATURE REVIEW

The financial capability concept can be observed from literature such as (1986; Nussbaum, 1990; 1993; Sen, 1985, 1999). Sen's capability approach drives its application from the capability approach by earlier scholars Adam Smith and Karl Marx Nussbaum (1990); (Sen, 1987) whose capability framework equates people's wellbeing with being a direct result of what the individual can do how they do it and what type of life they live. Sen modelled the Sen's capability approach out of the capability approach and defined capability to mean Nussbaum and Sen (1993) the skills that one needs to escape poverty and acquire the necessities of life and again (Sen, 1999) held the view that development can be a process of whereby one's real freedoms that make them comfortable are expanded. This central concept of Sen's capability approach is that individuals make decisions to better their lives based on some influencing factors. Arnold and Rhyne (2016)Sen's Capability approach enables individuals and institutions to make financial decisions that will ultimately improve their wellbeing Organisation For Economic Co-operation And Development (2005) developing countries, especially have woken up to prioritise financial literacy and capability within the public policy to foster financial inclusion.

Sen's Capability Approach (Nussbaum, 1990; Nussbaum & Sen, 1993); Sen (1987) is developed and can be essential in answering the question of the relationships that exist within the financial capability as the dependent variable, financial literacy, financial skills, financial attitudes and financial behaviour. The Capability Approach is a good measure for determining financial capability and health as observed (Birkenmaier, Sherraden, & Curley, 2013).

The Relationship between Financial Literacy and Financial Capability

Financial literacy is defined as Annamaria Lusardi and Mitchell (2011) application of financial knowledge and abilities in making financial decisions Annamaria Lusardi and Michell (2011) observed financial literate individuals are more likely to plan their retirement than individuals lacking financial literacy, which had a positive effect on financial capability. van Rooij, Lusardi, and Alessie (2011) concluded that financially literates are more likely to have better financial decisions. Again van Rooij, Lusardi, and Alessie (2012) found that financially literates tend to better plan for their pensions and are close to being financially capable. Huston (2010) articulated a positive relationship between financial literacy and the quality of financial decision outcome. Butrica, Harris, Perun, and Steuerle (2014) also made a similar argument for the significant relations between financial literacy and financial capability or wellbeing. In a study to understand the effects between financial literacy and financial behaviour Carlo (2013) concluded that respondents who had displayed some higher financial literacy also had corresponding financial wellbeing and better financial outcomes, whiles Ida and Chintia (2010); (Perry & Morris, 2005) observed that high level of financial knowledge can lead to financial capability through the bettering of financial skills and financial behaviours of individuals.

The Relationship between Financial Attitudes and Financial Capability

Financial Attitudes is how one feels about money and those psychological attributes that can influence certain behaviours and actions. Bryce, Foster, Jensen, and Vieira (2016) found that for some individuals with better financial attitudes, there was an associated better financial behaviour and financial wellbeing, whiles Shepherd, Wiklund, and Haynie (2009) argues that emotional cost in attitudes can affect people's financial capability, especially in the business environment. I. Ajzen and Fishbein (2005) attitudes play a role in affecting financial behaviours towards achieving financial capability. Also Lauster and Susanne (1978) equate attitudes (in finance) to self-confidence and the feel of extreme confidence needed in taking decisions even in the time of adversaries Judge, Erez, Bono, and Thoresen (2002) the confidence or attitudes to stand by a decision or course is observed to be an essential measure needed to achieve financial wellbeing and financial capability required to achieve one's goals. Better financial attitudes and confidence can affect positively peoples financial capability by bettering their financial behaviour (Allgood & William, 2016; Asaad, 2015).

The Relations Existing Between Financial Skills and Financial Capability

Moore (2003) found out that individuals with poor financial skills have corresponding lower financial capability levels because they are likely to borrow even when the cost of borrowing was unbelievably high. Also, Collins, Kofi, and Bright (2015), in research work, argue that managers of SMEs managers with low levels of financial skills had lower financial capability since they could even understand transaction charges and loans interest rates. Stango et al. (2007) concluded that individuals with low levels of financial skills have corresponding low levels of financial capability UK Berkeley Finance (2016), through its framework, developed a guide for competency needed in financial issues in a survey found that financial skills are an important determinant of financial competence and capability while Hilgert, Jeanne, and Dan (2003) in research concluded that persons who had higher financial skills (and literacy) had higher scores on the scales with better financial behaviours and higher financial capability output.

The Relations Existing Between Financial Behaviour and Financial Capability

Nababan. and Sadalia (2012) explains that financial behaviour is concerned with how individuals manage, use, and protect their existing financial resources, whiles Nofsinger (2001) defines financial behaviour as to how individuals behave in the actual determination of their finances; therefore, the psychological effects of an individual on their financial decisions, and also how it affects financial markets and institutions. Icek Ajzen and Fishbein M. (1980) established the theory of reasoned action with the underlying principles that assume that human beings are rational. In making decisions, they would consider the available information at their disposal and also take into account the impact of the outcomes of their choices Azwar (2010) explained the theory of reasoned action, connote the principle that an individual will perform an activity or action if they believe that the deed associated with the decision is positive and also believe other people would feel right about it. Hilgert et al. (2003) state that people are rational, which can be observed through reasoning, planning and making commitments in savings and investment and other financial management behaviours: thus, the psychological influencers to financial decision making cannot be ignored because it has implications on the financial wellbeing and capability of a person (Olsen, 1998).

The Relations Existing Between Financial Skills, Financial Behaviour and Financial Capability

In a study in Malaysia to understand the financial capability using 370 students, Yahaya, Zainol, Abidin, and Ismail (2019) using direct relapse and various relapse investigations to inspect the connection between financial skills, financial attitudes, financial literacy, and financial capability, concluded financial behaviour could play an effective role in the relationship between financial capability ad financial skills. Also, Shepherd et al. (2009) observed that the difference in the variance of financial capability could be explained by up to 15% by low levels of financial attitude and 28.5% by low levels of financial skills (Financial Literacy and financial numeracy). Here attitudes are very significant and can affect financial literacy to enhance financial capability significantly. Perry and Morris (2005), in a study on the effects existing between financial knowledge, observed that towards financial capability, financial knowledge had a positive effect on the financial behaviour of the study sample

The Relations Existing Between Demographics, Financial Behaviour and Financial Capability

Clarke and Ghezelayagh (2018) concluded in their research on behaviours of children, and young adults find that the demographics (the Income and educational qualification of parents) affected the relations between their behaviour and financial capability. Also, Kholilah and Iramani (2013) find that an increase in incomes of the individuals under study mostly resulted in a corresponding increased expenditure. On the contrary, other studies have suggested that resources influence financial behaviour and financial capability. Herdjiono and Damanik (2016) observed that the increase in parents' income does not affect the financial behaviour of their kids, contributing to the fact that the additional income is saved and usually beyond the reach of the children because it's not shared amongst them.

Again Ferrer-i-Carbonell (2005) find that income levels can impact the financial wellbeing of individuals positively. Similarly, Lyons (2005) found that students from minority geographies with less income were likely to display some high-risk financial behaviour which adversely will affect their financial capability. Also, Kebede, Dhaliwal, and Kaur (2016) examined the financial knowledge, financial behaviours and financial attitude of people with low wages living in provincial regions and concluded that females, young adults and the jobless had low levels of financial literacy, financial behaviour and financial attitudes. Other research suggested that persons with fewer resources were likely to save less, and this will adversely affect their financial capability, whiles those with more resource are more likely to exhibit good behaviours like savings, which then affect financial capability (Aizcorbe, Kennickell, & Moore, 2003; Bruhn M. et. al, 2013; Hilgert et al., 2003).

RESULTS AND FINDINGS

Descriptive Statistics

The descriptives show female respondents were 320 (53.3%) of the total respondents' whiles males were 280 (46.7%). The results again show that 88.7% of respondents have had at least some level of education, with only 11.3 % with no level of education. In all, 21.5% have had some few years of schooling, 19.8% have had up to masters level education, 19.7% have SHS or alternative credentials, 17.7% have had HND/Bachelor's Degree or alternative certifications, 10% have had JHS or alternative credentials. Income levels of respondents per annum indicate that majority of respondents (33.7%) receive salary of between 10,000 to 29,000 cedis, (31.5%) receives between 30,000 to 69000 cedis, (18.2%) Earn Less than 10,000 cedis whiles (16.7 %) receives Above 69000 cedis per annum. The Ages of respondents indicate that (11%) of respondents are above 56, (18.5%) are between the age 46 – 55, (20.8%) between the ages of 36 – 45, (19.7%) are between the ages of 16 -25 whiles (8.5%) are under 16 years.

The data show that financial literacy had a range of 1.33 as minimum and 5.00 as maximum. Also, the mean value was 3.1550 and a standard deviation of .76066. Also, the skewness and Kurtosis were within an acceptable range of distribution

For financial skills, there was a range of 1.50 for minimum and 3.50 for maximum values. Also, the mean values were 2.4788, whiles the standard deviation was .37211. It was also observed that the skewness and Kurtosis were within an acceptable range of distribution. For financial attitudes, the recorded response values ranged from a minimum value of 1.60 and a maximum value of 5.40. The mean response was 3.4640 with a standard deviation of .69265. The skewness and Kurtosis were within an acceptable range of normal distribution. With regards to financial behaviour, the values ranged from a minimum value of 1.00 to and maximum values of 2.83. The corresponding mean scores 1.9267 and a standard deviation of .31633. It was also observed that skewness and Kurtosis were within an acceptable range of distribution. For education level, the variable was sorted by the question `` level of education ``. The analyses indicate the response value was within a range between the minimum value of 1 and the maximum value of 6 with a mean value of 3.57 and a standard deviation of 1.534. Lastly, for income level, the variable sorted by the question `` annual income ``, the analyses indicates the response value was within a range between the minimum value of 1 and maximum value of 4 with a mean value of 2.47 and standard deviation of .973. The skewness and Kurtosis were within an acceptable range of normal distribution.

The Cronbach's Alpha is .452, which is average though good due to the different measurement scale available in each of the four scales.

Internal Reliability and Constituency

The Cronbach alpha is important because when developing an instrument for research work, the relevance of the instrument to the research question needs to be considered. However, Keith S. Taber. (2018) noted, though, that in educational research, it proves quite difficult inadequately testing the reliability of instrument on attitudes scale or even scales on knowledge by simple repeated reading because human beings differ, and especially psychological and the way they perceive things can defer even when faced with similar challenges. However, the Cronbach's Alpha of 6.09 and a Cronbach's Alpha Based on Standardised Items of .757 recorded are desirable for constructs within psychology research and near subjects; In the case of this study, thus knowledge, behaviour, attitudes, and skills.

Regressions Analysis

Table 1: Coefficient Table

Coefficients[a]

Model		Unstandardised Coefficients			95.0% Confidence Interval for B	
		B	Std. Error	Sig.	Lower Bound	Upper Bound
	1(Constant)	2.871	.065	.000	2.743	2.999
	Gender	-.006	.025	.802	-.054	.042
	Age	-.010	.008	.210	-.027	.006
	Level of Education	.000	.008	.976	-.016	.015
	Annual Income	-.029	.013	.023	-.054	-.004
	2(Constant)	2.220E-15	.000	1.000	.000	.000
	Gender	1.286E-16	.000	1.000	.000	.000
	Age	-2.227E-17	.000	1.000	.000	.000
	Level of Education	-2.542E-17	.000	1.000	.000	.000
	Annual Income	-1.681E-17	.000	1.000	.000	.000
	Financial Literacy	.250	.000	.000	.250	.250
	Financial Behavior	.250	.000	.000	.250	.250
	Financial Attitudes	.250	.000	.000	.250	.250
	Financial Skills	.250	.000	.000	.250	.250

a. Dependent Variable: Financial Capability

Source: Author's work

Table 1 above, showing the Coefficients table, indicates the significant levels thus P-Values for financial behaviour 0.000, financial attitudes 0.000, financial skills 0.000 and financial Literacy 0.000. This suggests that financial behaviour, financial attitudes, financial skills and financial literacy are all statistically significant predictor of financial capability. However, the control variables recorded gender (1.00), Age (1.00), level of education (1.00), and Annual Income (1.00), which are all statistically insignificant

Additionally, the B values on the Unstandardised coefficient shows that financial literacy, financial skills, financial behaviour, and financial attitudes all record values of .250, indicating a unit increase in financial literacy, financial skills, financial behaviour, and financial attitudes is associated in .250 increases in financial capability. Therefore, financial literacy, financial skills, financial behaviour, and financial attitudes have a predictive influence on financial capability.

The Anova table (attached as appendix) shows the Significant value of .000, explaining that financial behaviour, financial skills, financial attitudes and financial literacy are statistically significant predictors of financial capability even when controlled by Age, level of annual Income and Gender.

Indirect relationships:

Mediating Relations between Financial skills, Financial behaviour and Financial capability

Table 2: Mediating effect of Financial Behaviour

OUTCOME VARIABLE:
FC

Model Summary

R	R-sq	MSE	F	df1	df2	p
.3724	.1387	.0735	30.2118	3.0000	563.0000	.0000

Model

	coeff	se	t	p	LLCI	ULCI
constant	2.0811	.0878	23.7038	.0000	1.9087	2.2536
FS	.2890	.0306	9.4329	.0000	.2289	.3492
D1	-.0084	.0229	-.3656	.7148	-.0533	.0365
D2	-.0089	.0077	-1.1622	.2457	-.0240	.0062

Standardised coefficients

	coeff
F.S.	.3691
D1	-.0143
D2	-.0455

Covariance matrix of regression parameter estimates:

	constant	FS	D1	D2
constant	.0077	-.0023	-.0007	-.0002
FS	-.0023	.0009	.0000	.0000
D1	-.0007	.0000	.0005	.0000
D2	-.0002	.0000	.0000	.0001

CORRELATIONS BETWEEN MODEL RESIDUALS

	FB	F.C.
FB	1.0000	.0000
FC	.0000	1.0000

TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y

Total effect of X on Y

Effect	se	t	p	LLCI	ULCI	c_ps	c_cs
.2890	.0306	9.4329	.0000	.2289	.3492	.9919	.3691

Direct effect of X on Y

Effect	se	t	p	LLCI	ULCI	c'_ps	c'_cs
.2880	.0292	9.8620	.0000	.2307	.3454	.9884	.3678

Indirect effect(s) of X on Y:

Effect	BootSE	BootLLCI	BootULCI
FB	.0010	.0094	.0178	.0193

Partially standardized indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
FB	.0035	.0322	-.0617	.0653

Completely standardized indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
FB	.0013	.0120	.0229	.0243

Source: Author's work

Table 2 above, Mediating table, the model summary shows a P-Value .0000 indicating an overall statistically significant effect of financial behaviour as a mediator between financial skills and financial capability. Also, financial skills is observed to affect financial capability with a P-Value of .0000 significantly. Therefore, from the results, it is concluded that financial behaviour is a statistically significant mediator between financial skills and financial capability. Financial skills significantly influence financial behaviour. The findings agree in part with (Crossan, Maurer, & White, 2011; Annamaria Lusardi & Olivia S. Mitchell, 2014; Walstad, Rebeck, & MacDonald, 2010).

Moderation Relations between Financial Behaviour, Income Level, and Financial Capability

Table 3: Moderation Effect of Income

Sample
Size: 600

OUTCOME VARIABLE:
FC

Model Summary

R	R-sq	MSE	F	df1	df2	p
.2996	.0898	.0780	11.0645	5.0000	561.0000	.0000

Model	coeff	se	t	p	LLCI	ULCI
constant	2.2943	.2035	11.2718	.0000	1.8945	2.6941
FB	.2831	.1015	2.7895	.0055	.0838	.4825
D5	-.0046	.0773	-.0590	.9530	-.1564	.1473
Int_1	-.0098	.0400	-.2458	.8059	-.0884	.0688
D1	.0022	.0236	.0930	.9259	-.0442	.0486
D2	-.0089	.0079	-1.1286	.2595	-.0245	.0066

Product terms key:
Int_1 : FB x D5

Covariance matrix of regression parameter estimates:

	constant	FB	D5	Int_1	D1	D2
constant	.0414	-.0198	-.0142	.0072	-.0008	-.0002
FB	-.0198	.0103	.0072	-.0038	.0000	.0000
D5	-.0142	.0072	.0060	-.0031	.0000	.0000
Int_1	.0072	-.0038	-.0031	.0016	.0000	.0000
D1	-.0008	.0000	.0000	.0000	.0006	.0000
D2	-.0002	.0000	.0000	.0000	.0000	.0001

Test(s) of highest order unconditional interaction(s):

	R2-chng	F	df1	df2	p
X*W	.0001	.0604	1.0000	561.0000	.8059

Focal predict: F.B. (X)
Mod var: D5 (W)

Source: Author's work

Table3 above, Moderation table, the model summary shows an overall statistically significant outcome of financial behaviour on financial capability in the model with a P-Value of .0000. However, when income levels are introduced in the model, the P-value of the outcome thus Int_1 is .8059, indicating that indicate income level has a statistically insignificant effect on the relations between financial behaviour and financial capability. Again, the intervals between the lower limit confidence interval for Int_1 LLCI .0884 and the upper limit confidence interval for ULCI.0688 suggest an insignificant effect of income in the model as a moderator. Therefore, income levels have no statistically significant effect on the relations between financial behaviour and financial capability outcome controlling for Age and Gender.

Moderation Relations between Financial Behaviour, Educational Level, and Financial Capability

Table 4 Moderation Effect Educational Level

Sample
Size: 600

OUTCOME VARIABLE:
FC

Model Summary

R	R-sq	MSE	F	df1	df2	p
.2906	.0844	.0784	10.3456	5.0000	561.0000	.0000

Model

	coeff	se	t	p	LLCI	ULCI
constant	2.3731	.1908	12.4344	.0000	1.9982	2.7480
FB	.2104	.0946	2.2246	.0265	.0246	.3962
D3	-.0300	.0478	-.6282	.5301	-.1239	.0638
Int_1	.0155	.0247	.6254	.5320	-.0331	.0640
D1	.0045	.0236	.1922	.8476	-.0419	.0510
D2	-.0086	.0080	-1.0847	.2785	-.0243	.0070

Product terms key:
Int_1 : FB x D3

Covariance matrix of regression parameter estimates:

	constant	FB	D3	Int_1	D1	D2
constant	.0364	-.0173	-.0081	.0041	-.0010	-.0003
FB	-.0173	.0089	.0041	-.0021	.0001	.0000
D3	-.0081	.0041	.0023	-.0012	.0000	.0000
Int_1	.0041	-.0021	-.0012	.0006	.0000	.0000
D1	-.0010	.0001	.0000	.0000	.0006	.0000
D2	-.0003	.0000	.0000	.0000	.0000	.0001

Test(s) of highest order unconditional interaction(s):

	R2-chng	F	df1	df2	p
X*W	.0006	.3911	1.0000	561.0000	.5320

Focal predict: F.B. (X)
Mod var: D3 (W)

Source: Author's work

Table 4 above, the moderation effect table, the model summary with a P-Value .0000 indicates an overall significant effect of financial behaviour on financial capability in the model. However, per the interaction effect when educational levels is introduced as a moderator, the P-value of Int_1 is .5320 indicating an insignificant impact of educational levels on the relations between financial behaviour and financial capability. Also, the lower limit confidence level Int_1 LLCI is -.0331, whiles the upper limit confidence interval Int_1 ULCI is .0640. Zero (0) lies between the lower confidence level and upper confidence levels, hence indicating the insignificant effect of formal education in the model. Therefore education level has a statistically insignificant interaction effect on the relationship between financial behaviour and financial capability controlling for Age and Gender.

Test for Multicollinearity

Table 5 Coefficient Table

Coefficients[a]

Model	Unstandardised Coefficients B	Unstandardised Coefficients Std. Error	Standardised Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
(Constant)	2.665E-15	.000		.000	1.000		
Financial Literacy	.250	.000	.642	266501333.134	.000	.992	1.008
Financial Skills	.250	.000	.319	132254987.567	.000	.987	1.013
Financial Attitudes	.250	.000	.590	244777611.227	.000	.989	1.011
Financial Behavior	.250	.000	.270	111805836.958	.000	.989	1.012
Level of Education	-2.480E-17	.000	.000	.000	1.000	.995	1.005
Annual Income	-2.206E-17	.000	.000	.000	1.000	.982	1.018

a. Dependent Variable: FINANCIAL CAPABILITY

Source: Author's work

Table 5 above, Coefficient table shows that the VIF for financial literacy is 1.008 with a P-Value of .000, the VIF for financial skills is 1.003 with a P-Value of .000, the VIF for Financial attitudes is 1.005 with a P value of .000, and the VIF for Financial Behaviour is 1.007 with P-Value of .000. The question `` level of education `` has a VIF of 1.005 and a corresponding P-Value of 0.000. The question `` Annual Income`` has a VIF of 1.018 and a P-Value of 0.000.

For Tolerance Value among the Variables, it is observed that financial literacy score.992, Tolerance for Financial skills is .997, Tolerance for Financial attitude is .995 and Tolerance score for Financial behaviour is 1.007. Also, the Tolerance scores for the `` level of education that you completed question`` is .982, whiles the question `` Annual Income has a Tolerance value of .982. All the Tolerance values are greater than 0.1, implying there are no multicollinearity issues in the data. All the VIF values are less than 10; all the Tolerance levels are above 0.1; hence, there is no multicollinearity in the data.

CONCLUSION AND RECOMMENDATIONS

Effects of Financial Literacy, Financial skills, Financial behaviour, Financial attitude on Financial Capability

The study broadly finds that financial literacy, financial skills, financial behaviour, and financial attitudes significantly relate to financial capability. The study, therefore, reveals that pursuing them will eventually lead to the higher financial capability of persons. Specifically, financial literacy is found to enhance financial capability. Financial literacy, therefore, activities that can influence people's financial capability. Also, the study revealed that financial skills have a significant relationship with financial capability. This revelation indicates that having higher numeracy skills can contribute to enhancing financial capability.

Interestingly, as was revealed in the study, financial behaviours also have a significant relationship with financial capability. The revelation, therefore, means better behavioural activities can positively influence one's financial capability. Lastly, financial attitudes have significant relations with financial capability, suggesting, attitudes that reinforce better financial dispositions are good at enforcing financial capability.

Lastly, it was revealed that financial skills significantly influence financial behaviour. It was observed that financial behaviour significantly mediates the relationship between financial skills and financial capability. From the findings, as it has revealed, financial capability can be pursued by enhancing financial literacy, financial behaviour, financial attitudes and financial skills.

Effect of Demographics characteristics (Education Level and Income Level) on Financial Capability

The study reveals that additional levels of education and income played no significant role in the financial capability of workers through the improvement of financial behaviours beyond their current levels. This point to the fact that, for the workers, an additional level of education has no significance or effect on their financial behaviours and financial capability levels. Income was also found not to affect behaviours on financial capability

This is, however, not to say education and income are not all-important in making financial decisions. However, this may imply that pursuing general education will not necessarily lead to improving the financial behaviour and financial capability of individuals. An additional level of income earnings may not necessarily affect an individual's financial behaviour and financial capability levels positively.

Recommendations

To enhance financial inclusion, policymakers should further activities to promote financial capability. Also, financial services should pursue financial education activities for their customers. For example, loan defaults could reduce when there are high financial capability levels of individuals. Therefore, financial services providers interest is to prioritise the financial capability of their consumers.

Also, the study results show that general formal education may not have much effect on enhancing financial capabilities. As such, highly educated individuals can have low levels of financial capability suggesting all needs financial capability improvement programmes.

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