International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.njft.45815

Financial Literacy and Educator Behaviour: Insights from a Local Municipality in KwaZulu-Natal, South Africa

Authors:

Nkosinathi Prince Jali (Jalink@cput.ac.za)
Department of Accounting Sciences, Cape Peninsula University of Technology, Cape Town, South Africa

Anrusha Bhana (Anrusha.bhana2@wits.ac.za)
Finance and Accounting, Wits Business School (WBS), University of Witwatersrand, Johannesburg, South Africa

Abstract:

There is a substantial lack of financial literacy among educators, especially in emerging economies, which can influence personal and professional financial behavior. This study assessed whether financial literacy challenges influence high school educators' financial decision-making and behavior. An empirical study employing quantitative methodology assessed the lifestyle spending among high school educators and identified specific areas of financial literacy challenges and limitations. Data was collected randomly from a sample size of 246 out of 793 high school educators in Mzunduzi (local) Municipality, KwaZulu-Natal, South Africa, which was used to illustrate how socio-economic conditions, and financial resources have a significant effect on financial behavior. The findings revealed that there is low financial literacy among educators in terms of poor financial management practices, increased financial stress, and suboptimal retirement planning. These findings also highlighted the need for further financial literacy interventions to bridge the knowledge gaps and improve educators' financial health and sustainability. The results provide valuable insights for policymakers, educators, and financial education providers in emerging economies.

Keywords:

Financial Literacy, Financial Health, Financial Education, Financial Behavior, and Educators.

Submitted: 2025-06-07. Revised: 2025-06-18. Accepted: 2025-06-22.

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.njft.45815

Introduction

The use of long-term savings, increased debt, and cancellation of insurance policies are putting South Africans at physical, psychological, and financial risk. In recent years, low financial literacy levels worldwide have become a challenge, partly due to the global financial crisis, thus emphasizing the importance of financial literacy (Yew, Yong, Cheong & Tey, 2017). The lack of financial literacy, or the inability to understand financial concepts, can lead to poor financial decision-making and financial difficulties (Skagerlund, Stromback & Tinghog, 2018). Throughout the world, financial literacy is a challenge, and unfortunately, South Africa is not spared from this challenge (Budhialon et.al., 2025). South Africa (SA) is popularly known as the rainbow nation, signifying a diversity and richness of culture and tradition. However, amongst this diverse population also exhibits enormous gaps in financial literacy between different South African citizens (Botha, 2021). A large portion of the South African population has underdeveloped financial literacy skills (Sibanda & Sibanda, 2016). Thus, this study seeks insights into whether financial literacy challenges influence high school educators' (also known as teachers) lifestyle spending at 32 high schools in a local municipality of Pietermaritzburg, KwaZulu-Natal (KZN), South Africa. Teachers, as educators, should be important promoters of financial literacy knowledge and skills. They play a crucial role in implementing financial literacy programmes at schools. However, in recent years, South Africa has witnessed mass resignations and early retirements of educators from public high schools. Mafukata & Mudau (2016) point out that this is largely due to financial distress and indebtedness related to financial literacy challenges. Nurjanah & Sari (2025) stated that low financial literacy levels result in many citizens spending too much, thus becoming indebted, which has become a crisis in South Africa. The financial literacy crisis needs to be addressed if South Africa wants to make significant inroads in this knowledge gap at the basic and higher education levels. As stated by Jali (2022), financial literacy challenges in South Africa are influenced by various factors such as the standard of financial literacy education, high unemployment, prevalence of rural and low-income areas, over-indebtedness, low economic growth, and low savings and investments.

The purpose and focus area of the study is to assess, using descriptive and inferential analysis, whether financial literacy skills influence high school educators' financial decision-making and financial behaviour in the Msunduzi (local) Municipality, KZN. The study is significant since the findings will guide all other basic education employees and other sector employees who do not have the appropriate financial education or financial literacy knowledge to make better financial provisions and plan for their retirement while they are still young. In addition, it will also encourage the government to introduce financial literacy skills development programmes and training at the basic education level. Financial literacy knowledge will guide individuals towards better protection against financial loss and debt by considering other avenues to saving money. Rosenbaum, McKnight & Jaeb (2024) highlighted that households that are

over-indebted are especially at risk since they cannot save or upgrade their living standards. This study utilized all 32 high schools in the Msunduzi Municipality, KZN, since it aims to assess whether these high school educators at a local municipality level understand financial literacy, which will better support their financial decision-making and behaviour thereof. The rationale for this study at a local municipality is that there have been several studies on financial literacy at the government or international level, but minimal research that examined financial literacy and financial behaviour of high school educators at the local level (Farida et al., 2021). Thus, this study intends to bridge the local population gap in relation to financial literacy. While educators play an important role in implementing financial literacy programmes in societies, Compen et al. (2019) claimed that professional financial literacy development for high school educators is lacking. The findings are relevant for future curriculum development as they will provide guidance on how school educators can further improve their financial literacy skills and knowledge. In addition, this research will bring about awareness for educators to improve their own financial literacy and financial education and guide the students they teach at the high school level. Mafukata & Mudau (2016) added that educators need to undergo financial literacy education and training to further improve their understanding of financial management. The research gap will add to the lack of research on financial literacy and financial behaviour amongst high school educators at a local municipality in an emerging economy. Educators' abilities to make informed financial decisions are impacted by their financial literacy skills and knowledge (Czech et al., 2024). Thus, this study will possibly contribute to new empirical knowledge on financial literacy challenges in relation to the financial behaviour in KZN, South Africa.

Aim:

To assess whether financial literacy challenges influence financial decision-making and financial behaviour at a local municipality in KwaZulu-Natal, South Africa.

Literature Review

Financial literacy plays an important role in financial behaviour because it influences consumer spending, saving practices, and financial decision-making (Chu, Wang, Xiao & Zhang, 2017). Ripain, Amirul & Mail (2017) defined financial literacy as *"a combination of awareness, knowledge, skills, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual wellbeing".* Financial literacy is useful in daily activities; an understanding of financial information can be useful for financial decision making, which may include financial planning, investment and wealth accumulation, debt management, and pension planning (Dumitru-Cristian & Dornean 2012; Dwiastanti 2015; Husna & Desiyanti 2016).

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.njft.45815

Financial Behaviour and Technology

Financial behaviour refers to the way individuals manage their money, including how they save, spend, budget, and invest, often shaped by their financial knowledge, personal attitudes, and socio-economic circumstances. (Jorgensen et al., 2017; Xiao & Porto, 2017). A person's financial behaviour can generally be seen as either responsible or risky, depending on how they manage and make decisions about their money (Barbić, Lučić & Chen, 2019). Given this, responsible financial behaviour is associated with checking one's credit ratings regularly, saving money, and using a financial plan to manage expenses; whilst risky financial behaviour is characterized by excessive spending and wastage of financial resources which may lead one to incur huge debts and/or to become insolvent (French & McKillop, 2016). Financial technology represents a growing sector within the digital economy, offering innovative solutions that streamline financial services through mobile applications, blockchain technologies, and automated platforms (Del Sarto & Ozili, 2025). Its integration into everyday financial activities is closely linked to the advancements of the Fourth Industrial Revolution (4IR), which is characterized by a convergence of technologies such as artificial intelligence (AI), big data, and the Internet of Things (IoT) (Del Sarto & Ozili, 2025). In developing economies, financial technology plays a critical role in enhancing financial inclusion, particularly among underserved populations who previously lacked access to formal banking systems (Tchidi & Zhang, 2025). The acceleration of 4IR has thus not only reshaped the financial landscape but has also redefined how value is created and delivered within global markets (Tchidi & Zhang, 2025).

The South African Basic Education Enigma

Financial literacy is lacking among most South Africans, largely as a result of the "Bantu" education system implemented during apartheid, which deliberately provided black communities with substandard education (Matemane, 2018). Since the end of apartheid, there have been important efforts to improve the situation, such as building more schools to expand access to education across the country (Amnesty International, 2020). Despite the increased access to schools, it does not indicate that the quality of education has improved evenly or that all students (learners) benefit equally. Many black students continue to face obstacles that affect their educational experience and outcomes (Amnesty International, 2020). Many communities still face challenges in accessing well-resourced schools, and the gap in financial literacy educational outcomes remains wide. Over the years, various financial education programmes were introduced, but these efforts often appear fragmented and lack proper coordination between stakeholders (Ifeanyi, Rena & Prinsloo, 2019). What is more concerning is that most of these programmes are not built on research, do not reflect national priorities, and rarely cater specifically to educators, who play a vital role in shaping long-term financial awareness.

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.njft.45815

The Basic Education sector in South Africa is currently dealing with a serious issue, as many teachers are leaving the profession much earlier than expected (Mafukata & Mudua, 2016). It's estimated that around 4 000 teachers resign each year. One common reason behind this is financial issues, as many teachers leave to access their pension funds, which helps them manage debts or other socio-economic challenges. This mass resignation of teachers creates a serious problem in the education system that not only affects the quality of education but also increases recruitment, training and development costs (Mafukata & Mudua, 2016; Sibanda & Sibanda, 2016). Further, Compen et al. (2019) argue that the South African educational system is challenged by a shortage of highly skilled and experienced teachers in critical subjects such as Mathematics, Science, and Technology. Financial literacy has been found to play a very important role in the high school curriculum of students who study Economics, Mathematics, and Accounting. (Ballantine, Hammack & Stuber, 2017). The Organisation for Economic Co-operation and Development (OECD) recommends that financial literacy education be taught in schools from the earliest age possible so that people can make better decisions about their finances (Sawatzki & Sullivan, 2017). Students who are taught financial literacy from an early age develop the necessary knowledge and skills to build responsible financial habits throughout their education (Ballantine et al., 2017).

Standard of Education in Rural and Low-Income Areas

Johnson & Iwu (2025) indicated that even among students at South African Higher Education Institutions (HEIs), there are moderate levels of financial illiteracy that need to be addressed. The aforementioned authors add that even among the educated students, basic financial concepts must be reinforced (Johnson & Iwu, 2025). To achieve financial stability, a person's first step would be to educate themselves on how to manage their finances (Răzvan, 2021). South Africans should understand the complexity of financial products to avoid making poor financial decisions that can result in high fees and service costs, investing in inappropriate financial products, losing out on tax deductions on retirement contributions, or paying more than the minimum monthly required amount on outstanding loans (Mange, 2021). Studies have shown that financial literacy is directly affected by education (Czech et al., 2024 & Budhialon et.al., 2025). Mpofu (2023) found that higher levels of education correlate with better financial literacy. In a study conducted in South Africa, having matric and obtaining tertiary education was found to be positively correlated with financial literacy (Anshika & Singla, 2022). Molina-García et al. (2023) an individual's financial literacy level can be influenced by financial education, and that in order to substantially improve financial literacy levels, it may be necessary to develop a more effective teaching method geared towards real-world matters. South African consumers living in rural and low-income areas are financially vulnerable and subject to high financial stress following high debt levels and debt servicing costs, and this is a big concern (Mitchell & Abusheva, 2016). Most unsecured loans are granted to vulnerable consumers, who are unable to make repayments (Mustafa et al., 2025), even though the National Credit Act requires lenders to do affordability assessments. High debt levels in South Africa are

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.njft.45815

a result of aggressive marketing strategies and reckless lending (South African Reserve Bank, 2019). Therefore, people make poor financial decisions due to low financial literacy levels (Klapper, Lusardi & Van Oudheusden, 2015).

High Unemployment Rate and Low Economic Growth in South Africa

In South Africa, the unemployment rate is over 32.9% (Stoddard, 2025). This can be a contributing factor to citizens' financial decisions (Bhat et al., 2025). Because of this, people eat to survive rather than budgeting for or planning for the future (Sukmana & Trianto, 2025). Although South Africa is one of the most economically successful countries on the African continent, it has not adequately addressed the topic of financial literacy (Senaya, 2025). As a result of the high unemployment rate and the increasing number of retrenchments in recent years, South Africans are forced to dip into retirement savings, increase their debt, cancel medical aid membership, and life policies to cut costs when their income declines (Stoddard, 2025). Economic growth is low, especially in developing economies, which makes financial literacy difficult. As a result of economic stagnation, income levels, employment opportunities, and overall financial stability are all affected. As a result, it is difficult for individuals to acquire and apply financial knowledge effectively. Government revenues are reduced as a result of limited economic expansion, which in turn has a negative impact on the funding of educational programs, including financial literacy programmes (Smith, 2020). Therefore, educators and low-income earners, especially, are likely to lack access to structured financial education programmes, resulting in poor financial investment decisions. Savings and investments play a crucial role in boosting the economic growth of every country (Zins & Weill 2016; Demirguc-Kunt et al., 2018). Both savings and investments are essential to improve the personal and possibly generational wealth and financial security of everyone (Hira 2012; Demirgüç-Kunt et al., 2020). Individuals who are substantially more financially literate set aside money for a variety of purposes, including emergencies, unforeseen circumstances, and retirement (Meier & Sprenger 2013). Therefore, the benefits of financial literacy tend to improve personal wealth and the individuals' savings and investment habits.

South Africa is often described as an emerging economy because of its strong financial system and role in international economic forums like BRICS (Kirkman, 2025). At the same time, the country struggles with problems that are typical of developing countries. Unemployment remains a serious concern, with the national rate rising to over 32.9% in 2025, which continues to undermine efforts to achieve sustained economic growth (Stoddard, 2025). This high joblessness, combined with poverty and inequality, limits many people to access to formal financial services. To address these gaps, financial technology is increasingly being used to improve financial literacy and to support better money management, especially in communities that have been historically marginalized (Kirkman, 2025).

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.njft.45815

Over-Indebtedness

Several studies revealed that most South Africans are over-indebted (DebtBusters, 2025; Genesis Analytics & FSCA, 2025; Mabitle, 2025). A 2019 report by the National Credit Regulator (2019) states that "over-indebtedness includes failure to pay all bills promptly, resulting in feelings of panic, stress, and feeling overwhelmed by the amount of unpaid financial obligations". Poor financial literacy in South Africa has been linked to low saving rates and investments, over-indebtedness, and insufficient planning for retirement. The range of products in the financial technology space is broad and sophisticated, requiring consumers to select from a variety of options. It is increasingly important for all individuals, including educators, to save and manage their retirement funds. Thus, financial literacy protects individuals from making irrational financial decisions, choosing inappropriate financial products, and failing to save for the future (Wentzel, 2016). Financial stress is increasing among South African households, with debt levels rising and households saving less (Xie & Chen, 2025). As debt continues to rise, households cannot adequately prepare for the financial hardships they may face. Wentzel (2016) reported that more consumers are in arrears with their credit card and mortgage payments, while fewer consumers' accounts are current. It is more common to see consumers in arrears with their payments, while the number of consumers keeping up with their payments has decreased (Wentzel, 2016). Wentzel (2016) also states that there are more people who are unable to repay their debts. Consumers have access to a variety of financial products; however, many make financial mistakes due to a lack of financial knowledge (Murendo & Mutsonziwa, 2017).

Methods and Data

The probability sampling technique, particularly systematic random sampling, was used in this study, in which the initial sample point is chosen at random and then the sampling points are chosen evenly or systematically (Rahi 2017). To determine the sample size based on a 95% confidence level with an 80% proportion of the target population at a 0.005 acceptable margin of error, the following formula was used:

$N = \{ Z2 * \Sigma 2 * [N / (N - 1)] \} / \{ ME2 + [Z2 * \Sigma 2 / (N - 1)] \}$. where N= Sample Size; Z= Confidence Level; Σ = Alpha; P= Proportion and ME= Margin of error.

In this study, the target population was all high school educators at Msunduzi (local) Municipality in KZN. According to the Department of Education's (DOE) database, there are 32 high schools within the Msunduzi (local) Municipality, and 793 high school educators (DOE uMgungundlovu district database 2021). Through self-administered questionnaires, data were collected from these 32 high schools in KwaZulu-Natal, South Africa. To answer the research questions, Allan & Skinner (2020) suggested using a quantitative approach to test and measure the factors relevant to a study. A survey questionnaire using the Likert scale was a suitable measure for the study because of the large sample size of 246 out of 793

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.njft.45815

educators. The questionnaires were self-administered to all respondents. SPSS version 27.0 was used for analyzing the data, after it was entered into an EXCELTM spreadsheet. This study used descriptive statistical analysis, which included cross-tabulations, graphs, tables, and figures, to analyze the data collected from the respondents. The ethical considerations include voluntary participation, informed consent, anonymity, confidentiality, potential for harm, and results communication (Babbie, 2017). This study was approved by the Faculty Research Ethics Committee (FREC) of the Durban University of Technology (DuT). Respondents received all the information needed to understand the study. Respondents were requested to sign the informed consent form, which ensured voluntary participation. Johnston (2017) defines data processing as the process of transforming raw data into meaningful information. Brink, Van Der Walt, & Van Rensburg (2012) argue that the choice of questionnaire administration is crucial to the overall success of the study. Gatekeepers' permission from the DOE, the Head of Departments, and the principals of each high school was obtained prior to administration. Respondents (the high school educators) were notified of the study using e-mail with the assistance of the secretaries and principals at each high school, prior to the administration and collection of questionnaires. This email included a letter of permission to conduct the study from DOE and DUT's FREC.

The questionnaires were delivered to the respondents at these 32 high schools. All respondents were allocated a week to complete the questionnaire. Interestingly, respondents were proactive and completed the survey promptly, which supported the cross-sectional study.

Results

This section focused on the financial literacy challenges faced by high school educators, which included, amongst others, lifestyle spending, satisfaction in spending rather than saving, overspending, price comparisons for major expenses, borrowing money from friends and family. The analysis supports the research aim of the study.

Standardisation of the Quantitative Questionnaire (Survey)

Reliability and Validity

The results of the Cronbach's alpha test to measure reliability are shown in Table 1.

Variable	Cronbach's alpha	Number of items
Financial literacy challenges (question 7 – 22 items)	0.921	16
Financial literacy skills (question 23 – 44 items)	0.899	22

Table 1: Reliability test using Cronbach's alpha

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.njft.45815

The results in Table 1 indicated that the Cronbach's alpha for financial literacy challenges and financial literacy skills was 0.921 and 0.899, respectively. According to Heale & Twycross (2015), Cronbach's alpha values of 0.7 and above are acceptable. Thus, this suggests that the 16 statements (Table 2) used to measure financial literacy challenges and financial literacy skills were acceptable, and the quantitative research instrument was internally consistent, and the findings of the study are more likely to be reliable and valid. In addition, Sekaran & Bougie (2016) claimed that validity can be defined as the accuracy with which a measure of an empirical concept reflects its true meaning. Furthermore, pre-testing of 25 high school educators from outside the site of the study was randomly selected, and used to validate the face, content, and criterion of the questionnaire. Using validity as a measure of accuracy determines the degree to which respective questions can answer the aim of the study.

The questionnaire below lists 16 statements to identify the financial literacy challenges. The respondents were requested to complete the survey using the Likert scale of 1 (strongly disagree) to 5 (strongly agree). These results are shown in Table 2 below.

Likert scale									
Statements	**1**	**2**	**3**	**4**	**5**	**TA**	**TD**	**Mean**	**SD**
1. I am impulsive and buy things even when I can't really afford them.	25%	30%	21%	16%	8%	**24%**	**55%**	**2,5**	**1,2**
2. I find it more satisfying to spend money than to save it for the long term.	18%	33%	18%	24%	7%	**31%**	**51%**	**2,7**	**1,2**
3. I often spend more than I can afford.	20%	26%	23%	22%	9%	**31%**	**46%**	**2,7**	**1,3**
4. I never compare prices for major expenses.	17%	25%	27%	23%	8%	**31%**	**42%**	**2,8**	**1,2**
5. I often borrow money from friends and family members.	17%	20%	23%	29%	11%	**40%**	**37%**	**2,9**	**1,3**
6.It is hard to stick to my spending plan when unexpected expenses arise.	12%	17%	24%	32%	15%	**47%**	**29%**	**3,2**	**1,2**
7. I buy things on credit rather than waiting and saving up.	15%	29%	21%	25%	10%	**35%**	**44%**	**2,9**	**1,2**
8. When more unexpected expenses occur, I usually have to use more credit.	14%	13%	25%	33%	15%	**48%**	**27%**	**3,2**	**1,3**
9. When faced with a financial challenge, I have a hard time finding a solution.	15%	19%	22%	33%	11%	**44%**	**34%**	**3,1**	**1,3**
10. My exposure to advertising has negatively influenced my financial decisions.	14%	26%	29%	22%	9%	**31%**	**40%**	**2,9**	**1,2**
11. I lack confidence in my ability to manage my finances.	11%	31%	25%	23%	10%	**33%**	**42%**	**2,9**	**1,2**
12. I always exceed the maximum limit on my credit card.	22%	26%	24%	22%	6%	**28%**	**48%**	**2,6**	**1,2**

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.njft.45815

13. Paying my credit card in full to avoid financial charges is not so important.	20%	32%	20%	18%	10%	**28%**	**52%**	**2,7**	**1,3**
14. I feel I do not have adequate knowledge to manage my personal finances.	17%	20%	27%	26%	10%	**36%**	**37%**	**2,9**	**1,3**
15.I am not satisfied with the amount of money I am saving and investing for retirement.	14%	22%	20%	29%	15%	**44%**	**36%**	**3,1**	**1,3**
16.My work colleagues negatively influence me in my financial decisions.	22%	29%	19%	17%	13%	**30%**	**51%**	**2,7**	**1,3**
Note: 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; 5 = strongly agree. TA = total agreement; TD = total disagreement; SD = standard deviation									

Table 2: Financial literacy challenges faced by high school educators in Msunduzi Municipality, KZN

Each significant statement related to the discussion section is Table 2 is discussed below:

1. Borrowing money from friends and family **–** 40% of the respondents agreed with the statement *"I often borrow money from friends and family members"*, as compared to 37% of the respondents who disagreed and 23% were neutral (m = 2.9).
2. Unforeseen expenses **–** 48% of respondents agreed with the statement *"When more unexpected expenses occur, I usually have to use more credit"*. The mean of 3.2 reflects that, on average, 27% of the respondents disagreed with the statement and 25% were neutral in their opinions.
3. Financial Challenges - 44% of the respondents who agreed with the statement *"When faced with a financial challenge, I have a hard time finding a solution"* (m = 3.1). However, the mean of 3.1 reveals that, on average, the respondents were almost neutral in their responses.
4. Not satisfied with savings and investments for retirement - 44% of the respondents agreed with the statement *"I am not satisfied with the amount of money I am saving and investing for retirement"* (m = 3.1).

Levene's Test for Equality of Variances

The Levene's test for equality of variances was performed to understand if there were any significant variations between male and female (gender) respondents in terms of financial literacy skills and financial literacy challenges. Levene's test is used in statistics to investigate equality of variances between two or more groups of variables (Sekaran & Bougie, 2016). Some statistics rely on the assumption that the variances of different samples from various populations are equal. Thus, this assumption is assessed using Levene's test. The results of the study were also assessed using Levene's test for equality of variances to test whether there were significant differences in financial literacy challenges faced by male and female respondents.

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.njft.45815

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Financial Literacy Challenges	Equal variances assumed	0.083	0.773	0.716	244	0.474	0.07715	0.10768	-0.13496	0.28925
	Equal variances not assumed			0.717	244	0.474	0.07715	0.10766	-0.13492	0.28922

Table 3: Independent Samples Test

Table 3 of the Levene's test revealed that $p > 0.05$ ($p = 0.773$), which suggested that there were no significant differences between the financial literacy challenges of male and female educators in Msunduzi (local) Municipality in KZN.

Discussion

South Africa was found to have the lowest financial literacy knowledge in a poll of over 30 countries drawn from Africa, Asia, Europe, Australia, North America, and South America (Business Tech, 2016). This suggests that South Africans generally have lower levels of financial literacy knowledge, which would possibly be expected by the educators in Msunduzi (local) Municipality. This is consistent with the study since most of the respondents have a habit of borrowing money from friends and family members which was reflected by 40% of the respondents (Table 1) who agreed with the statement "I often borrow money from friends and family members" as compared to 37% of the respondents who disagreed and 23% were neutral (m = 2.9). De Bassa Scheresberg (2013) argues that financial literacy plays a significant role in individuals' day-to-day management of money (that is, borrowing patterns, saving, and planning for retirement) and that almost every aspect of people's lives is impacted by money. Further, the results indicate that most of the respondents have challenges with sticking to their spending plan, particularly when unexpected expenses arise, which was reflected by 47% of the respondents who agreed with the statement "It is hard to stick to my spending plan when unexpected expenses arise". Most of the respondents indicated that they use more credit when more unexpected expenses occur, which was reflected by 48% of the respondents who agreed with the statement "When more unexpected expenses occur, I usually have to use more credit". These findings are consistent with Roets (2021), the Chief Executive Officer of Debt Rescue, who maintained that at least 9.5 million South Africans who are credit-active consumers are over-indebted because credit usage increases when consumers encounter more unexpected expenses. However, most respondents (48%) indicated they were not in the habit of

always exceeding the maximum limit on their credit cards, thus this finding seem contrary to those of Van Rooij, et al. (2012) and Lusardi & Mitchell (2014), who stated that most participants in their study were in the habit of always exceeding the maximum limit on their credit cards, especially when facing unexpected expenses.

Most respondents indicated that they were not satisfied with the amount of money they were saving and investing for retirement, as 44% agreed with the statement “I am not satisfied with the amount of money I am saving and investing for retirement” (m = 3.1). This is consistent with Mafukata & Mudau (2016), who claimed that high school educators are largely indebted to loan sharks and other informal lending financial institutions; however, they do not save enough money for retirement. However, Table 2 further indicates that most of the respondents did not find it more satisfying to spent money than to save for the long term (m = 2.7) which was reflected by 51% of the respondents who disagreed with the statement “I find it more satisfying to spend money than save it for the long term”. These findings seem contrary to the literature in South Africa, where there is a low saving rate, which can be attributed to a high level of spending on goods and services instead of setting money aside for future purposes or unforeseen circumstances (South African Reserve Bank, 2019). In addition, many respondents felt that they find it hard to find a solution when faced with financial challenges, as 44% agreed with the statement “When faced with a financial challenge, I have a hard time finding a solution”. This is further supported by Wentzel (2016), who stated that households cannot adequately prepare for financial challenges they may face in the near future. As a result, an increasing number of households are unable to repay their debts, which may lead to financial distress because it is hard to find a solution when faced with a financial challenge. Interestingly, Table 2 revealed that there were no significant differences between the financial literacy challenges of male and female educators, which suggests that gender does not influence the financial literacy challenges of high school educators. Considering that the study focused on high school educators, the findings are important to understanding their financial decision-making abilities and influences, as well as their financial literacy skills in making financial decisions. The development of financial literacy skills should be embraced by future generations to possibly reduce the cycle of poverty created by historical practices of discrimination, oppression, and exclusion. In addition, scheduled savings deposits and debit order payments may help educators understand financial budgeting and ways to meet financial obligations, leading to better financial well-being. Teacher confidence is crucial for an effective financial literacy education, since it has been demonstrated that teacher efficacy negatively impacts aspects such as instruction behaviour and student achievement (De Moor & Verschetze, 2017).

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.njft.45815

Conclusion

The study highlighted that high school curriculum should be adjusted to accommodate financial literacy education, which will benefit both educators and students. In addition, educators who teach financial literacy education should be financially literate, so that training or education on financial literacy for students would be impactful. Most of the high school educators demonstrated sound financial literacy and knowledge, which enabled them to overcome some financial literacy challenges, such as impulsive financial decision making, spending beyond their budget, affordability, and peer pressure. However, there were other significant financial literacy challenges that these educators in Msunduzi (local) Municipality faced, which were challenges in sticking to a budget when unexpected expenses arose, a habit of borrowing money from friends and family members, and the ability to resolve financial challenges. Interestingly, there was no significant gender difference in financial literacy challenges and financial behaviour. Future studies can examine the same concepts at other high schools in different municipalities to verify if financial literacy is a systemic challenge for all high school educators in South Africa. It is therefore recommended that South African high school educators should seek training and/or development on problem-solving techniques and financial literacy skills, which might help them to identify the cause and effect of financial challenges with appropriate solutions. These findings are necessary for all stakeholders involved and those responsible for maintaining basic education employees' financial sustainability in South Africa.

References

Allan, G. & Skinner, C. 2020. Handbook for research students in the social sciences. Pretoria: University of Pretoria.

Amnesty International. 2020. *Broken and unequal: The state of education in South Africa*. Amnesty International. https://www.amnesty.org/en/documents/afr53/1705/2020/en/

Anshika, A. & Singla, A., 2022. Financial literacy of entrepreneurs: a systematic review. *Managerial Finance*, 48(9/10), pp.1352-1371. https://doi.org/10.1108/MF-06-2021-0260

Babbie, E., 2017. The Basics of Social Research. 7th ed. Boston, MA: Cengage Learning.

Ballantine, J. H., Hammack, F. M. & Stuber, J. 2017. The sociology of education: A systematic analysis. New York and Abington: Routledge. https://doi.org/10.4324/9781315299914

Barbić, D., Lučić, A. & Chen, J. M. 2019. Measuring responsible financial consumption behaviour. International Journal of Consumer Studies, 43 (1): 102-112. https://doi.org/10.1111/ijcs.12503

Bhat, S. A., Lone, U. M., SivaKumar, A., & Krishna, U. G. 2024. Digital financial literacy and financial well-being: Evidence from India. *International Journal of Bank Marketing, 43*(3), 522-548. https://doi.org/10.1108/IJBM-05-2024-0320

Botha, F. 2021. Closing the financial literacy gap in South Africa. IOL. https://www.iol.co.za/personal-finance/financial-planning/closing-the-financial-literacy-gap-in-south-africa-b09c7444-39ff-43a8-be13-c691a961a1d3

Brink, H. van der Walt, C. V. & van Rensburg, G. 2012. Fundamental of research methodology for health care professionals. 3rd ed. Cape Town: JUTA.

Budhialon, P. R., Azhari, I., RMP, T. J., & Rakhman, S. 2025. Strengthening competitiveness strategy of PT RAR in facing challenges of financial literacy, digital transformation, and competition in the general insurance industry in Indonesia. *Jurnal Multidisiplin Sahombu, 5*(01), 250-261.

Business Tech. 2016. South Africa comes last in global financial literacy poll. *Business Tech*.https://businesstech.co.za/news/finance/139829/south-africa-comes-last-in-global-financial-literacy-poll/

Chu, Z., Wang, Z., Xiao, J. J., & Zhang, W. 2017. Financial literacy, portfolio choice and financial well-being. *Social Indicators Research, 132*(2), 799-820. https://doi.org/10.1007/s11205-017-1738-6

Compen, B., De Witte, K., & Schelfhout, W. 2019. The role of teacher professional development in financial literacy education: A systematic literature review. *Educational Research Review, 26*, 16-31. https://doi.org/10.1016/j.edurev.2018.12.001

Czech, K., Ochnio, L., Wielechowski, M., & Zabolotnyy, S. 2024. Financial literacy: Identification of the challenges, needs, and difficulties among adults living in rural areas. *Agriculture, 14*(10), 1705. https://doi.org/10.3390/agriculture14101705

De Moor, L., & Verschetze, L. 2017. Student teachers' capacity and willingness to teach financial literacy in Flanders. *Journal of Financial Counseling and Planning, 28*(2), 313-321. https://doi.org/10.1891/1052-3073.28.2.313

DebtBusters. 2025. *Q4 2024 Debt Index report: Consumer debt trends in South Africa*. https://propertyreview.co.za/post/2025/02/05

Del Sarto, N., & Ozili, P. K. 2025. FinTech and financial inclusion in emerging markets: A bibliometric analysis and future research agenda. *International Journal of Emerging Markets, 20*(13), 270-290. https://doi.org/10.1108/ijoem-08-2024-1428

Demirguc-Kunt, A., Klapper, L., Singer, D., & Ansar, S. 2018. *The Global Findex Database 2017: Measuring financial inclusion and the fintech revolution*. World Bank Publications. https://doi.org/10.1596/978-1-4648-1259-0

Demirgüç-Kunt, A., Klapper, L., Singer, D., Ansar, S., & Hess, J. 2020. The Global Findex Database 2017: Measuring financial inclusion and opportunities to expand access to and use of financial services. *The World Bank Economic Review, 34*(Supplement_1), S2–S8. https://doi.org/10.1093/wber/lhz007

Dumitru-Cristian, O. & Dornean, A. 2012. Defining and Measuring Financial Literacy. New Evidence from Romanian' Students of the Master in Finance. *Scientific Annals of Economics and Business*, 59 (2): 113-129.

Dwiastanti, A. 2015. Financial literacy as the foundation for individual financial behavior. *Journal of Education and Practice, 6*(33), 99-105.

Farida, M. N., Soesatyo, Y., & Aji, T. S. 2021. Influence of financial literacy and use of financial technology on financial satisfaction through financial behavior. *International Journal of Education and Literacy Studies, 9*(1), 86-95. https://journals.aiac.org.au/index.php/IJELS/article/view/6478/4528

French, D., & McKillop, D. 2016. Financial literacy and over-indebtedness in low-income households. *International Review of Financial Analysis, 48*, 1-11. https://doi.org/10.1016/j.irfa.2016.08.004

Genesis Analytics, & Financial Sector Conduct Authority. 2025. *Credit usage and over-indebtedness among South African consumers*. FSCA. https://businesstech.co.za/news/finance/577322/more-south-africans-are-using-credit-to-make-it-to-the-end-of-the-month/

Heale, R., & Twycross, A. 2015. Validity and reliability in quantitative studies. *Evidence-Based Nursing, 18*(3), 66-67. https://doi.org/10.1136/eb-2015-102129

Hira, T. K. 2012. Promoting sustainable financial behaviour: Implications for education and research. *International Journal of Consumer Studies, 36*(5), 502-507. https://doi.org/10.1111/j.1470-6431.2011.01032.x

Ifeanyi, M., Rena, R., & Prinsloo, J. H. 2019. The national strategy on financial literacy: A conceptual review of South African perspectives. *Journal of Reviews on Global Economics, 8*, 1121-1134. https://doi.org/10.6000/1929-7092.2019.08.102

Jali, N. P. 2022. *The influence of financial literacy and financial technology on the financial behaviour of high school teachers in KwaZulu-Natal* (Master's dissertation, Durban University of Technology). Durban University of Technology Open Scholar. https://openscholar.dut.ac.za/items/662e2b8a-9a99-41c3-8c89-066c7c301666

Johnson, I.L. & Iwu, C.G. 2025. Achieving Financial Wellness through Financial Literacy among University Students in Cape Town. Economics and Entrepreneurship: The, p.1.

Johnston, M. P. 2017. Secondary data analysis: A method of which the time has come. *Qualitative and Quantitative Methods in Libraries, 3*(3), 619-626. https://www.qqml-journal.net/index.php/qqml/article/view/169

Jorgensen, B. L., Foster, D., Jensen, J. F., & Vieira, E. 2017. Financial attitudes and responsible spending behavior of emerging adults: Does geographic location matter? *Journal of Family and Economic Issues, 38*(1), 70-83. https://doi.org/10.1007/s10834-016-9512-5

Kirkman, D. 2025. *Fintech, education and community: Boosting financial inclusion in South Africa*. Lifestyle & Tech. https://lifestyleandtech.co.za/smart-money/article/2025-02-20/fintech-education-and-community-boosting-financial-inclusion-in-south-africa

Klapper, L., Lusardi, A., & Van Oudheusden, P. 2015. *Financial literacy around the world: Insights from the Standard & Poor's ratings services global financial literacy survey*. World Bank. https://doi.org/10.1596/1813-9450-7255

Lusardi, A., & Mitchell, O. S. 2014. The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature, 52*(1), 5-44. https://doi.org/10.1257/jel.52.1.5

Mabitle, M. 2025. The impact of the National Credit Act 2006 on household over-indebtedness in South Africa (Doctoral dissertation). University of Fort Hare. https://libdspace.ufh.ac.za/collections/1e568729-3273-4d71-b6c6-605c9a01b01f

Mafukata, A. M. & Mudua, A. V. 2016. Exploring teacher mass resignation and early retirement from public schools. Human and Social Sciences, 43: 2243-2255.

Mange, S. 2021. *Engaging in financial literacy education: Exploring debt with undergraduate students* [Master's thesis, University of the Western Cape]. UWC Scholar. https://uwcscholar.uwc.ac.za/items/61cdd707-b433-4b2b-a485-e75305bf8e55

Matemane, M. R. 2018. Saving for tomorrow: Does the level of financial literacy in the South African working class matter? *Southern African Business Review, 22*(1), 1-22. https://doi.org/10.25159/1998-8125/4443

Meier, S., & Sprenger, C. D. 2013. Discounting financial literacy: Time preferences and participation in financial education programs. *Journal of Economic Behavior & Organization, 95*, 159-174. https://doi.org/10.1016/j.jebo.2012.02.024

Mitchell, J. W., & Abusheva, M. E. 2016. The actual challenges of financial literacy. *SHS Web of Conferences, 28*, 01134. https://doi.org/10.1051/shsconf/20162801134

Molina-García, A., Cisneros-Ruiz, A. J., López-Subires, M. D., & Diéguez-Soto, J. 2023. How does financial literacy influence undergraduates' risk-taking propensity? *The International Journal of Management Education, 21*(3), 100840. https://doi.org/10.1016/j.ijme.2023.100840

Mpofu, F. Y. 2023. Digital financial inclusion and digital financial literacy in Africa: The challenges connected with digital financial inclusion in Africa. In D. Mhlanga & E. Ndhlovu (Eds.), *Economic inclusion in post-independence Africa: An inclusive approach to economic development* (pp. 123–147). Springer Nature Switzerland. https://doi.org/10.1007/978-3-031-31431-5_7

Murendo, C., & Mutsonziwa, K. 2017. Financial literacy and savings decisions by adult financial consumers in Zimbabwe. *International Journal of Consumer Studies, 41*(1), 95–103. https://doi.org/10.1111/ijcs.12318

Mustafa, W. M. W., Islam, M. A., Hassan, M. S., & Kassim, M. A. M. 2025. The dynamics of financial retirement planning: Financial attitude, health literacy, and the role of financial advisors with financial literacy as a moderator. *Journal of Financial Services Marketing, 30*(1), 1–16. https://doi.org/10.1057/s41264-024-00296-2

National Credit Regulator. 2019. *Annual report 2018/2019*. Department of Trade, Industry and Competition. https://www.thedtic.gov.za/wp-content/uploads/NCR_AR_2019-2.pdf

Nurjanah, R. & Sari, D.E., 2025. Becoming a Financially Smart Generation: Strategies for Improving Financial Literacy in Senior High Schools in Surakarta City. *Ideguru: Jurnal Karya Ilmiah Guru, 10*(1), 853-862.

Rahi, S. 2017. Research design and methods: A systematic review of research paradigms, sampling issues and instruments development. *International Journal of Economics & Management Sciences*, *6*(2), Article 1000403.

Răzvan, I. 2021. Financial literacy in the digital age: Challenges and opportunities in the European Union. *Revista Estrategia Organizacional*, *10*(2), 1-16. https://doi.org/10.22490/25392786.4958

Ripain, N., Amirul, S. M., & Mail, R. 2017. Financial literacy and SMEs' potential entrepreneurs: The case of Malaysia. *Journal of Administrative and Business Studies*, *3*(2), 60–68. https://doi.org/10.20474/jabs-3.2.1

Roets, N. Covid-19: One year on, South Africans are heavily indebted but are looking at relief options. *City Press*. https://www.news24.com/citypress/voices/covid-19-one-year-on-south-africans-are-heavily-indebted-but-are-looking-at-relief-options-20210325

Rosenbaum, H. L., McKnight, G. T., & Jaeb, K. M. (2024). MIDSHIPMAN financial literacy. *Journal of Financial Education*, *50*(1), 1-16.

Sawatzki, C. M., & Sullivan, P. A. 2017. Teachers' perceptions of financial literacy and the implications for professional learning. *Australian Journal of Teacher Education*, *42*(5), 51–65. https://doi.org/10.14221/ajte.2017v42n5.4

Sekaran, U. & Bougie, R. 2016. *Research methods for business*: A skill building approach. John Wiley and Sons. West Sussex.

Senaya, G. M. 2025. Mitigating financial risks for entrepreneurs in emerging markets through financial literacy. *World Journal of Advanced Research and Reviews*, *25*(1), 602–620. https://doi.org/10.30574/wjarr.2025.25.1.0059

Sibanda, S., & Sibanda, T. 2016. Financial education in South Africa: Overview of key initiatives and actors. *International Labour Organization Innovative Finance for Social Justice*, 1-36. https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_545803.pdf

Skagerlund, K., Lind, T., Strömbäck, C., Tinghög, G., & Västfjäll, D. 2018. Financial literacy and the role of numeracy: How individuals' attitude and affinity with numbers influence financial literacy. *Journal of Behavioral and Experimental Economics*, *74*, 18–25. https://doi.org/10.1016/j.socec.2018.03.004

Smith, C. 2021. Over half a billion rand lost in debit card scams in SA last year. https://www.news24.com/fin24/companies/financial-services/over-half-a-billion-rand-lost-in-debit-card-scams-in-sa-last-year-20210929

South African Reserve Bank (SARB). 2019. Full Quarterly Bulletin - No. 291 - March 2019. https://www.resbank.co.za/en/home/publications/publication-detail-pages/quarterly-bulletins/quarterly-bulletin-publications/2019/9148

Stoddard, M. 2025. South Africa's Unemployment Crisis: Economic Realities and Policy Responses. Business Day. https://www.businesslive.co.za/fm/features/cover-story/2025-03-01-south-africas-unemployment-crisis-economic-realities-and-policy-responses

Sukmana, R., & Trianto, B. 2025. The effect of Islamic financial literacy on business performance with emphasis on the role of Islamic financial inclusion: Case study in Indonesia. *Journal of Islamic Marketing*, *16*(1), 166-192. https://doi.org/10.1108/JIMA-07-2022-0197

Tchidi, G. E., & Zhang, W. 2025. Mediating effect of financial inclusion on FinTech innovations and economic development in West Africa: Evidence from the Benin Republic. *International Journal of Finance & Economics*, *30*(2), 1032-1048. https://doi.org/10.1002/ijfe.2760

van Rooij, M. C. J., Lusardi, A., & Alessie, R. J. M. 2012. Financial literacy, retirement planning and household wealth. *The Economic Journal*, *122*(560), 449-478. https://doi.org/10.1111/j.1468-0297.2012.02501.x

Wentzel, A. 2016. Financial literacy in South Africa. In C. Aprea, E. Wuttke, K. Breuer, & N. K. Koh (Eds.), *International handbook of financial literacy* (pp. 329-339). Springer. https://doi.org/10.1007/978-981-10-0360-8_22

Xiao, J. J., & Porto, N. 2017. Financial education and financial satisfaction: Financial literacy, behavior, and capability as mediators. *International Journal of Bank Marketing*, *35*(5), 805-817. https://doi.org/10.1108/IJBM-01-2016-0009

Xie, Y., & Chen, T. 2025. A study on the impact of digital financial literacy on household entrepreneurship-Evidence from China. *Sustainability, 17*(1), 117. https://doi.org/10.3390/su17010117

Yew, S., Yong, C., Cheong, K., & Tey, N. 2017. Does Financial Education Matter? Education Literacy among Undergraduates in Malaysia. *Institutions and Economies, 9*(1), 43-60.

Zins, A., & Weill, L. 2016. The determinants of financial inclusion in Africa. *Review of Development Finance, 6*(1), 46-57. https://doi.org/10.1016/j.rdf.2016.05.001