

An Examination of Financial Literacy Levels amongst Owner/Managers of Small and Medium- Sized Enterprises

Abstract

To date there has been limited research focusing on the financial literacy of small and medium business sized business. This research looks specifically at the level of financial literacy among small business owners/managers within an Australian context. The purposes of the hypotheses are to understand the relationship between the financial literacy of the owners/managers of small businesses against both their demographic and company characteristics. More specifically, the key research question investigated in this study is: what is the level of financial literacy among small business owners/managers, and what are the determinants of the level of literacy. The research has significant implications for small business, as the reason given for many small business failures relates to the financial ability of owners/managers. Therefore, the research should provide consequential information to industry-groups, small businesses, financial institutions and policy makers. The literature review defines financial literacy and small business and looks at the literature to date with respect to the relevant hypotheses. The methodology for the dissertation will be exploratory and quantitative in nature and will use a multiple choice questionnaire for a survey into business in Australia. The sampling frame will consist of professional members of the Australian Institute of Management. The findings show that overall financial literacy can improve for SME owner managers, and that education in particular can assist to increase overall financial literacy.

Keywords: financial literacy, SME owner managers.

Introduction

In recent years the level of financial literacy in many countries has become of concern to government agencies, policy makers, educators, businesses, industry groups, and financial institutions (Hilgert, Hogarth & Beverly, 2003). There are two main reasons for this concern, firstly the responsibility for financial management has been moved towards the individual rather than being overseen by government. Responsibility for retirement, medical insurance and education are three areas where the individual must make financial decisions concerning long term-term investment goals. Secondly, with the deregulation of the banking sector and the rapid growth in technology, the financial services sectors have greatly increased the sophistication and number of financial products on the market (Braunstein & Welch, 2002).

Greenspan (2002) goes on to note that with an increasingly complex financial system and the increased number of providers of financial services consumers will need to accumulate appropriate knowledge about the use of new technologies and how to make financial decisions in a more informed manner. For small and medium enterprises (SME), this increase in sophistication and number of products and providers can only serve to increase the need for greater financial literacy.

However, research in to the level of financial literacy for small business owners and managers has been almost non-existent both in Australia and in other English speaking countries. This research will look at the level of financial literacy among small business owners and managers in order to gain an understanding of the relationship between the owner/manager, together with demographics and firm characteristics.

Theoretical Background

A search of the literature has defined financial literacy as “the ability to make informed judgments and to take effective decisions regarding the use and management of money” (Noctor, Stoney & Stradling cited in Beal & Delpachitra, 2003, p7). This definition is further operationalised by Schagen and Lines cited in Beal & Delpachitra (2003, p91), who suggest that a financial literate person would have the ability to “understand key concepts central to money management; have a working knowledge of financial institutions, systems and services; have a range of [analytical and synthetical] skills, both general and specific; and to have an attitude which... allows effective and responsible management of financial affairs.” The ANZ survey report by Roy Morgan Research (2003b) explains financial literacy as people making informed and confident decisions about their own finances including aspects of: budgeting; spending; saving; borrowing; investing; and having the knowledge about financial products and institutions so as to prepare financially for the future. The steering committee for the report made a specific definition, “The ability to make informed judgements and to take effective decisions regarding the use and management of money”, Roy Morgan Research (2003b, p2).

In the United Kingdom, Schagen & Lines (1996) completed a study that looked at how the general public viewed savings and borrowings, how they managed differing products and financial institutions and their confidence in dealing with such organisations. Further, the participants completed a questionnaire to test their knowledge of financial markets and products, their ability to solve financial problems and make financial decisions. The study found that there were particular groups that underperformed including: young people 16-21 in work or training; students involved in higher education that were not living at home; single parents on government benefits; and families living in subsidised housing.

There have been a number of studies that have looked at the financial literacy among senior high school students, college students and the adult population in America. Mandell (1997) completed a study of 1,509 high school seniors from 63 schools, the results showed that the students gained an average correct score of 57% with respect to areas of income, money management, savings, investment, and spending. Chen & Volpe (1998) studied 924 college

students to examine their personal finance literacy: the relationship between the literacy and student's characteristics; and impact of the literacy on student opinions and decisions. Again the student only answered 53% of the questions correctly. The less knowledgeable students were non-business majors, women, students under 30, and students with little work experience, these students tended to hold the wrong opinions and make incorrect decisions.

Danes & Hira (1987) surveyed 323 college students from Iowa State University using a survey instrument covering knowledge of credit cards, insurance, personal loans, record keeping, and overall financial management. They found that the student had a low level of knowledge about credit cards, insurance, and overall money management. Another survey by Princeton Survey Research Associates cited in Chen & Volpe (1998), found that of 1,770 households nationwide that were surveyed for financial knowledge, an average score of 42% was obtained indicating that the financial decision maker did not have a solid grasp of basic financial concepts. The Employee Benefit Research Institute as cited in Chen & Volpe (1998) indicated that most American do not save adequately for their retirement and have a false sense of security and financial confidence. The study surveyed 1,000 current workers and retirees on financial knowledge issues and found that 71% of workers and 81% of retirees scored less than 60%. Chen & Volpe (1998) go on to make comment about many of these studies on financial literacy, noting that: many studies are from single universities; that the validity of the survey instruments are questionable because of their small size; many of the instruments only cover specific areas of personal finance; and that only the level of financial literacy is measured, not the factors that influence the level of financial literacy.

The definition of a small business is inherently difficult, with often the intangible attributes of the business that help group small businesses together, rather than the objective and quantifiable methods such as sales turnover, profit, or measures based on employment. Although, there are some more broad groupings within the financial context as described by Ang cited in Holmes et al. (2003, p5) such as: "the fact that the securities of small firms are not publicly traded; owners' investments are undiversified; limited liability is rarely present in a true economic sense; and to the extent that management and ownership are separated, the relationship is nevertheless largely informal." These qualitative definitions are further expanded and explained by Schaper & Volery (2004) as the firm is independently owned and operated, and not under the control of any larger firm. That the owners fund the company themselves and take full responsibility and accountability for the financial success or failure of the firm. The owner / manager usually decides most of the crucial decisions, as the company is not large enough to have specialised departments. Finally, the firm typically has only a small market share and does not dominate its industry.

For the purposes of this research the quantitative method that is used by the Australian Bureau of Statistics (2015, p4) and is the most common definition applied by researchers in Australia, that of employment as the basis for non-agricultural businesses by size. These are defined using different business size categories: Micro business –businesses employing less than five people; Small business –businesses employing less than 20 people; Medium business – businesses employing 20 or more people, but less than 200; and Large business –business employing 200 or more people. SMEs then can employ up to 200 people. This leads to the following research questions:

Question 1. What is the level of financial literacy amongst SME owner/managers?

Question 2. How do socio-demographic characteristics correlate with SME owners/managers level of financial literacy?

Empirical Tests

The objective of this research is to understand how the independent variable, owner/manager demographics and firm characteristics, relate to the dependent variable, the financial literacy of SME Owner/managers. The positivist/quantitative approach is deemed to be the best option

to explain the relationship between the variables. From this positivistic approach there are a number of methodologies that may be chosen: cross-sectional studies; experimental studies; longitudinal studies; and surveys. The reasoning and aim of the research is deductive and predictive in nature therefore under the positivist paradigm in social science this leads to using a survey research approach.

As the aim of the research is to find relationships and correlations between the independent variables, owner/manager demographics and firm characteristics, and the dependent variable, financial literacy of the owner/manager, the design of the research will be an analytical survey. As explained in Creswell, (2015) there are a number of reasons why this design was chosen. Firstly, this design is most suitable for testing hypotheses on a large number of people. Secondly, the correlational field study is able to examine the significance of the relationship between the variables, whilst also assessing several particular independent variables while taking into account others. Thirdly, the design will allow the results of the survey to be generalizable to larger populations.

Results

The data used in this study were collected from 116 individuals. Socio-demographic information of the respondents was collected along with the variables to study the research questions.

Research Question 1: What is the level of financial literacy amongst SME owner/managers?

The first research question asks for studying and exploring the level of financial literacy amongst SME owner/managers. To investigate this research question, a number of questions related to literacy were posed in the questionnaire and relevant data were collected.

Table 1: Socio -demographic characteristics

	Frequency	Percentage
Main language spoken at home by owner/manager		
English	111	95.7
Other	5	4.3
Total	116	100.0
Gender of owner/manager		
Male	69	59.5
Female	47	40.5
Total	116	100.0
Age of owner/manager		
25 – 29	4	3.4
30 – 34	5	4.3
35 – 39	6	5.2
40 – 44	15	12.9
45 – 49	16	13.8
50 – 54	25	21.6
55 – 59	22	19.0
60 – 64	14	12.1
65 – 69	5	4.3
70 – 74	4	3.4
Total	116	100.0
Owner/managers highest level of completed education		
Primary School	2	1.7
Year 10	11	9.5
Year 12	11	9.5
Trade/TAFE/Diploma	39	33.6
Bachelor degree	39	33.6
Master's degree	12	10.3
Doctoral degree	2	1.7
Total	116	100.0
Owner/managers main field of highest educational attainment		

Natural and Physical Sciences	3	2.6
Information Technology	4	3.4
Engineering and Related Technologies	12	10.3
Architecture and Building	3	2.6
Agricultural Environment and Related Studies	3	2.6
Health	10	8.6
Education	6	5.2
Management and Commerce	42	36.2
Society and Culture	6	5.2
Creative Arts	3	2.6
Missing	24	20.7
Total	116	100.0
History of SME ownership for parents of owner/managers		
Yes	56	48.3
No	60	51.7
Total	116	100.0

More specifically, data on numeracy level of financial literacy, basic level of financial literacy, advanced level of financial literacy, and overall total level of financial literacy were obtained and analyzed to answer this research question. Table 2 presents the frequency distribution of numeracy level of financial literacy.

Table 2 Frequency distribution for numeracy level of financial literacy.

Numeracy level of financial literacy	Frequency
0%	1
50%	6
100%	109
Total	116

The frequencies in Table 2 show that almost all respondents (109) numeracy level of financial literacy is 100%. Only 6 respondents have 50% numeracy level of financial literacy and just one respondent does not have any numeracy literacy.

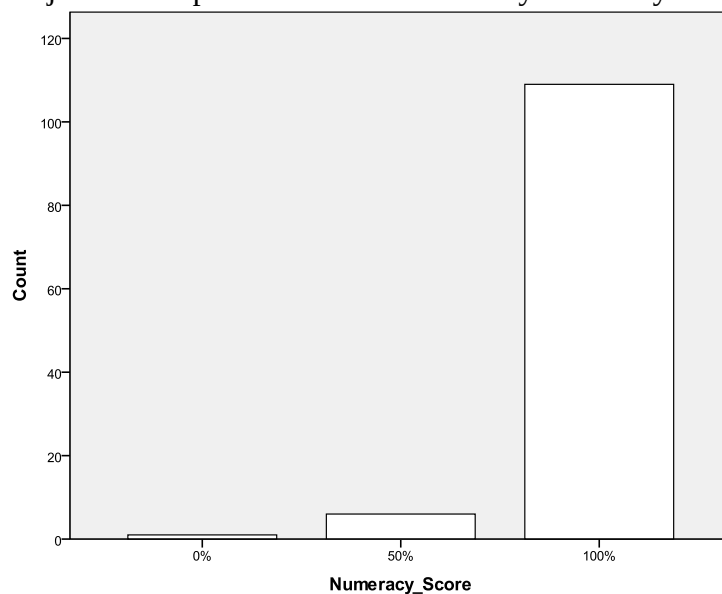


Figure 1: Numeracy level of financial literacy.

Table 3 and Figure 2 present the frequency distribution of basic level of financial literacy. The frequencies in Table 6 show that the majority of respondents' (95) basic level of financial literacy is 100%. Only 17 respondents have 67% basic level of financial literacy and 4 respondents have 33% basic literacy.

Table 3 Frequency distributions for basic level of financial literacy.

Basic level of financial literacy	Frequency
33%	4
67%	17
100%	95
Total	116

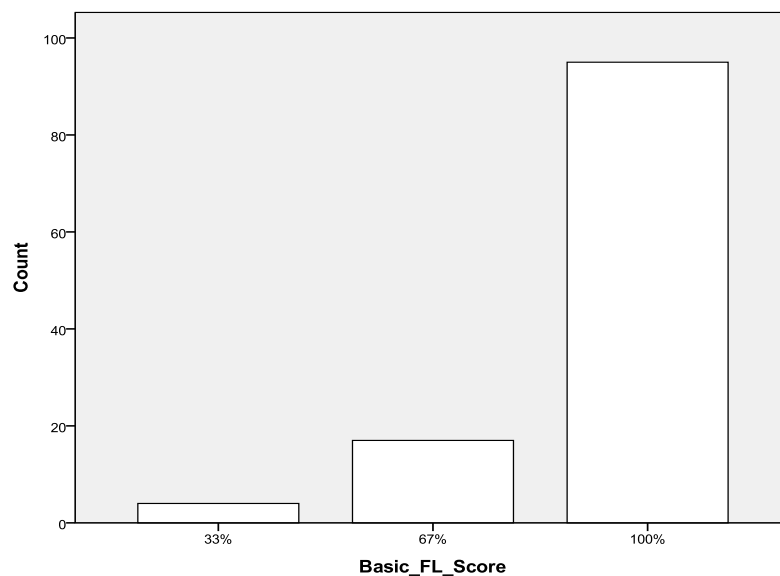


Figure 2: Basic level of financial literacy.

Table 4 and Figure 3 present the frequency distribution of advanced level of financial literacy. The frequencies in Table 4 show that 38 respondents have advanced level of financial literacy who got all answers right. About the same number (34 respondents) have 83% advanced level of financial literacy, 24 respondents have 67%, 17 respondents have 50%, 2 respondents have 33% and only 1 respondent has 17% advanced level of financial literacy.

Table 4 Frequency distributions for advanced level of financial literacy.

Advanced level of financial literacy	Frequency
17%	1
33%	2
50%	17
67%	24
83%	34
100%	38
Total	116

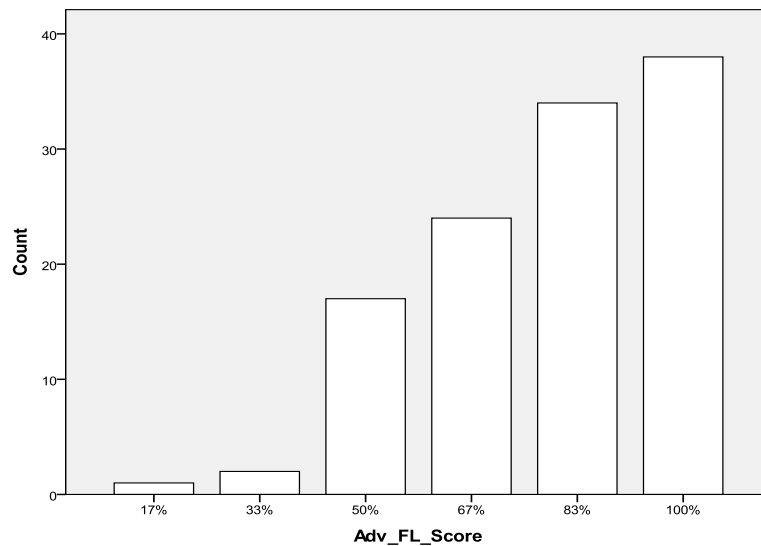


Figure 3: Advanced level of financial literacy.

Table 5 and Figure 4 present the frequency distribution of overall level of financial literacy. The frequencies in Table 5 show that the overall level of financial literacy is 100% for 34 respondents. 33 respondents have 91% overall level of financial literacy, 22 respondents have 82%, 15 respondents have 73%, 6 respondents have 64%, 4 respondents have 55% and only 1 respondent has either 45% or 36% overall level of financial literacy.

Table 5 Frequency distributions for overall level of financial literacy.

Total level of financial literacy	Frequency
36%	1
45%	1
55%	4
64%	6
73%	15
82%	22
91%	33
100%	34
Total	116

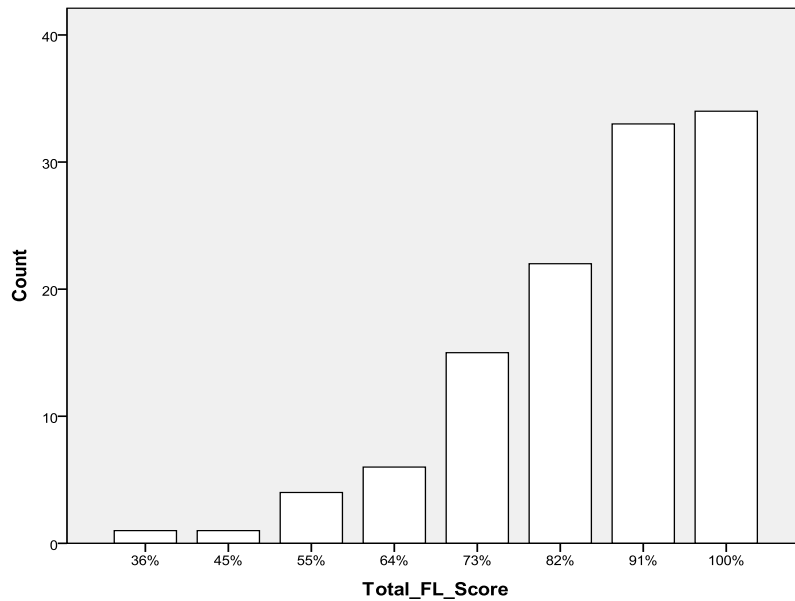


Figure 4: Total level of financial literacy.

Research question 2 is to investigate the association between socio-demographic characteristics and SME owners/managers level of literacy. Cross tables and Chi-square test of association are used to examine the relationships posed in research question 2. For this, we have to test the following 5 research hypotheses.

H1. If English is the main language spoken at home by the owner/manager, then their level of financial literacy will be higher.

Cross tables and Chi-square test results are presented in Table 6. The cross table between the main language spoken at home of owner/manager and their level of financial literacy shows that more respondents main language spoken at home is English than lower respondents whose main language spoken at home is other. Such association between the main language spoken at home of owner/manager and their numeracy level of financial literacy is found to be statistically insignificant ($\chi^2 (2) = 0.37$, $p = 0.85$).

The association between the main language spoken at home of owner/manager and their basic level of financial literacy also have been found to be statistically insignificant ($\chi^2 (2) = 0.24$, $p = 0.87$).

Table 6 The cross tables and Chi-square test results of association between the main language spoken at home by the owner/manager and their level of financial literacy.

	Main language spoken at home		Total
	English	Other	
Numeracy level of financial literacy			
0%	1	0	1
50%	6	0	6
100%	104	5	109
Chi-square = 0.37 ; DF = 2; p-value = 0.85			
Basic level of financial literacy			
33%	4	0	4
67%	16	1	17
100%	91	4	95
Chi-square = 0.24 ; DF = 2; p-value = 0.87			

Advanced level of financial literacy			
17%	1	0	1
33%	1	1	2
50%	16	1	17
67%	24	0	24
83%	33	1	34
100%	36	2	38
Chi-square = 11.59 ; DF = 5; p-value = 0.04			
Total level of financial literacy			
36%	1	0	1
45%	1	0	1
55%	3	1	4
64%	6	0	6
73%	14	1	15
82%	22	0	22
91%	32	1	33
100%	32	2	34
Chi-square = 6.04 ; DF = 7; p-value = 0.54			
Total	111	5	116

Only the association between the main language spoken at home of owner/manager and their advanced level of financial literacy have been found statistically significant ($\chi^2 (5) = 11.59$, $p = 0.04$).

The association between the main language spoken at home of owner/manager and their total level of financial literacy have been found statistically insignificant ($\chi^2 (7) = 6.04$, $p = 0.54$).

H2. There is a relationship between the gender of the owner/manager and their level of financial literacy.

The cross tables and Chi-square test results are presented in Table 7. The cross table between the gender of owner/manager and their numeracy level of financial literacy shows that association between the them is found to be statistically not significant ($\chi^2 (2) = 0.91$, $p = 0.64$). The association between gender of owner/manager and their basic level of financial literacy also have been found statistically insignificant ($\chi^2 (2) = 8.60$, $p = 0.13$).

Similar the association between gender of owner/manager and their advanced level of financial literacy ($\chi^2 (7) = 6.04$, $p = 0.54$). Only the association between the gender of owner/manager and their total level of financial literacy have been found statistically significant ($\chi^2 (7) = 15.78$, $p = 0.03$).

Table 7 The cross tables and Chi-square test results of association between the gender of the owner/manager and their level of financial literacy.

	Gender		Total
	Male	Female	
Numeracy level of financial literacy			
0%	1	0	1
50%	3	3	6
100%	65	44	109
Chi-square = 0.91 ; DF = 2; p-value = 0.64			

Basic level of financial literacy			
33%	2	2	4
67%	9	8	17
100%	58	37	95
Chi-square = 0.55 ; DF = 2; p-value = 0.76			
Advanced level of financial literacy			
17%	1	0	1
33%	0	2	2
50%	8	9	17
67%	16	8	24
83%	17	17	34
100%	27	11	38
Chi-square = 8.60 ; DF = 5; p-value = 0.13			
Total level of financial literacy			
36%	1	0	1
45%	1	0	1
55%	0	4	4
64%	4	2	6
73%	5	10	15
82%	17	5	22
91%	18	15	33
100%	23	11	34
Chi-square = 15.78; DF = 7; p-value = 0.03			
Total	69	47	116

H3. There is a relationship between the age of the owner/manager and their level of financial literacy.

The cross tables and Chi-square test results are presented in Table 8. For the convenient of testing hypothesis, the age group is merged.

Table 8 The cross tables and Chi-square test results of association between the age of the owner/manager and their level of financial literacy.

	Age			Total
	25 - 44	45 - 64	>65	
Numeracy level of financial literacy				
0%	1	0	0	1
50%	3	2	1	6
100%	26	75	8	109
Chi-square = 6.11 ; DF = 4; p-value = 0.19				
Basic level of financial literacy				
33%	2	2	0	4
67%	9	8	0	17
100%	19	67	9	95
Chi-square = 10.36 ; DF = 4; p-value = 0.04				

Advanced level of financial literacy

17%	0	1	0	1
33%	1	1	0	2
50%	8	9	0	17
67%	7	16	1	24
83%	6	26	2	34
100%	8	24	6	38

Chi-square = 11.55 ; DF = 10; p-value = 0.32

Total level of financial literacy

36%	1	0	0	1
45%	0	1	0	1
55%	3	1	0	4
64%	2	4	0	6
73%	8	7	0	15
82%	3	18	1	22
91%	6	24	3	33
100%	7	22	5	34

Chi-square = 21.34; DF = 14; p-value = 0.09

Total	30	77	9	116
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It can be seen from the Table 8 that only the association between age and basic level of financial literacy is significant (χ^2 (4) = 10.36, p = 0.04), and other associations between age and level of financial literacy are not statistically significant.

H4. There is a positive relationship between the education level of the owner/manager and their level of financial literacy.

Table 9 The cross tables and Chi-square test results of association between the education level of the owner/manager and their level of financial literacy.

Education level								Total
Primary School	Year 10	Year 12	Trade /Diploma	Bachelor Degree	Master's Degree	Doctoral Degree		
Numeracy level of financial literacy								
0%	0	0	0	1	0	0	0	1
50%	0	1	0	2	3	0	0	6
100%	2	10	11	36	36	12	2	109
Chi-square = 4.32 ; DF = 12; p-value = 0.98								
Basic level of financial literacy								
33%	1	0	1	1	1	0	0	4
67%	0	4	2	3	7	1	0	17
100%	1	7	8	35	31	11	2	95
Chi-square = 22.10 ; DF = 12; p-value = 0.04								
Advanced level of financial literacy								
17%	0	0	0	0	1	0	0	1

33%	0	0	0	1	1	0	0	2
50%	0	3	0	7	5	2	0	17
67%	0	2	5	12	5	0	0	24
83%	0	1	4	11	11	7	0	34
100%	2	5	2	8	16	3	2	38

Chi-square = 32.41 ; DF = 30; p-value = 0.35

Total level of financial literacy

36%	0	0	0	1	0	0	0	1
45%	0	0	0	0	1	0	0	1
55%	0	0	0	2	2	0	0	4
64%	0	3	0	1	1	1	0	6
73%	0	0	2	5	7	1	0	15
82%	1	2	4	11	4	0	0	22
91%	0	3	4	1	8	7	0	33
100%	1	3	1	8	16	3	2	34

Chi-square = 44.39; DF = 42; p-value = 0.37

Total	2	11	11	39	39	12	2	116
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From the cross tables and Chi-square test results presented in Table 9 it can be seen that only the association between education level of owner/manager and their basic level of financial literacy is found to be statistically significant ($\chi^2 (12) = 22.10$, $p = 0.04$). While the associations between education level of owner/manager and their other levels of financial literacy are found to be statistically insignificant.

H5. There is a relationship between the field of highest education and the level of financial literacy of the owner/manager

For the convenience of statistical analysis, we merge some field of highest education with each other. From the cross tables and Chi-square test results presented in Table 9 it can be seen that the association between the field of highest education of owners/managers and their basic level of financial literacy is found to be statistically significant ($\chi^2 (10) = 20.07$, $p = 0.03$). The association between the field of highest education of owners/managers and their advanced level of financial literacy is found to be statistically significant ($\chi^2 (25) = 39.29$, $p = 0.03$). Also the association between the field of highest education of owners/managers and their total level of financial literacy is found to be statistically significant ($\chi^2 (35) = 52.38$, $p = 0.03$). While the associations between the field of highest education of owners/managers and their numeracy level of financial literacy is found to be statistically not significant ($\chi^2 (10) = 13.65$, $p = 0.19$).

Table 10 The cross tables and Chi-square test results of association between the field of highest education and the level of financial literacy of the owner/manager.

Field of highest education							
Natural & Physical Science or Agricultural Environment	Information Technology	Engineering or Architecture & Building	Health or Education	Management and Commerce	Society & Culture or Creative Arts	Total	

Numeracy level of financial literacy							
0%	0	0	0	1	0	0	1
50%	0	0	0	2	1	2	5
100%	6	4	15	13	41	7	86
Chi-square = 13.65 ; DF = 10; p-value = 0.19							
Basic level of financial literacy							
33%	0	0	0	2	0	0	2
67%	1	1	0	5	3	1	11
100%	5	3	15	9	39	8	79
Chi-square = 20.07 ; DF = 10; p-value = 0.03							
Advanced level of financial literacy							
17%	0	0	0	1	0	0	1
33%	0	0	0	2	0	0	2
50%	1	0	0	7	4	2	14
67%	1	1	4	1	9	1	17
83%	0	2	4	4	16	3	29
100%	4	1	7	1	13	3	29
Chi-square = 39.29 ; DF = 25; p-value = 0.03							
Total level of financial literacy							
36%	0	0	0	1	0	0	1
45%	0	0	0	1	0	0	1
55%	0	0	0	3	0	1	4
64%	1	0	0	2	0	0	3
73%	0	0	0	4	7	2	13
82%	1	2	4	1	7	0	15
91%	0	1	4	3	15	3	26
100%	4	1	7	1	13	3	29
Chi-square = 52.38 ; DF = 35; p-value = 0.03							
Total	6	4	15	16	42	9	92

Summary and Conclusions

In order to answer the first research question of: “*What is the level of financial literacy amongst SME owner/managers?*” the following table summarises the findings at each of the four levels tested.

Table 11: Summary of financial literacy

	Score out of 100 (%) Frequency (% of total)	Score out of 100 (%) Frequency (% of total)	Score out of 100 (%) Frequency (% of total)	Total (100%)
Numeracy	0% score 1	50% score 6	100% score 109	Total 116

	(0.86%)	(5.17%)	(93.97%)	(100%)
Basic	33% score 4 (3.45%)	67% score 17 (14.65%)	100% score 95 (81.9%)	Total 116 (100%)
Advanced	17% - 33% score range 3 (2.58%)	50% - 67% score range 41 (35.35%)	83% – 100% score range 72 (62.07%)	Total 116 (100%)
Overall	36% - 55% score range 6 (5.17%)	64% - 82% score range 43 (37.06%)	91% - 100% score range 67 (57.77%)	Total 116 (100%)

This shows that the scores achieved for numeracy were high, with 93.97% of participants achieving a score of 100%. At the basic level, 97% of participants achieved a score of 67% or higher. As expected at the advanced level, scores were not as high with only 62% achieving a score of above 67%. Overall, 94.83% of participants achieved a score higher than 64%. This shows that owner/managers could improve their overall financial literacy, particularly if they are running their own business and need to prepare financial information for lending purposes, for Australian Taxation Office (ATO) compliance, or for other stakeholders in need of financial information for decision making purposes.

In order to answer the second research question of “*How do socio-demographic characteristics correlate with SME owners/managers level of financial literacy?*” each hypothesis was tested for its significance across the four levels of financial literacy in the table 11.

Table 12: socio-demographic characteristics and financial literacy

	Numeracy	Basic	Advanced	Total Literacy
Language	Insignificant	Insignificant	Significant	Insignificant
Gender	Insignificant	Insignificant	Insignificant	Significant
Age	Insignificant	Significant	Insignificant	Insignificant
Education	Insignificant	Significant	Insignificant	Insignificant
Field of education	Insignificant	Significant	Significant	Significant

H1. If English is the main language spoken at home by the owner/manager, then their level of financial literacy will be higher. This is only significant for advanced financial literacy.

H2. There is a relationship between the gender of the owner/manager and their level of financial literacy. This is only significant for overall total literacy.

H3. There is a relationship between the age of the owner/manager and their level of financial literacy. This is only significant for Basic literacy.

H4. There is a positive relationship between the education level of the owner/manager and their level of financial literacy. This is only significant for basic literacy levels.

H5. There is a relationship between the field of highest education and the level of financial literacy of the owner/manager. This is significant for all literacy levels except for numeracy. Further to this, financial mismanagement has shown to be a major contributing factor to small business failure (Holmes, Hutchinson, Forsaith, Gibson & McMahon, 2003). A study of the literature by Berryman cited in Holmes et al. (2003, p147) illustrates the case in point: Causes of business failure according to the literature include (1) Credit management, 50%, (2) Inventory control, 39% (3) Inadequate or no accounting records, 33%, (4) Cash flow liquidity, 28% and (5) Lack of initial capital, 28%. With these statistics in mind, the relevance of this research will be important in order to indicate determinant factors and level of financial literacy in the small business sector, which may in turn be useful in identifying ways to improve overall financial understanding amongst Australia's small firms. This information will be important to educators, industry groups, business, financial institutions, government agencies and policy makers.

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