



PROMOTION OF FINANCIAL LITERACY THROUGH FINANCIAL EDUCATION PARTNERSHIP FOR FINANCIAL INCLUSION IN KENYA: CASE OF COMMERCIAL BANKS

Boldar, J. D. S., Omanwa, C., & Baimwera, B.

PROMOTION OF FINANCIAL LITERACY THROUGH FINANCIAL EDUCATION PARTNERSHIP FOR FINANCIAL INCLUSION IN KENYA: CASE OF COMMERCIAL BANKS

^{1*} Boldar, J. D. S., ² Omanwa, C., & ³ Baimwera, B.

^{1*} PhD Scholar, School of Business and Economics, Department of Finance, Kenya Methodist University [KEMU], Kenya

² Doctor, Lecturer, School of Business and Economics, Department of Finance, Kenya Methodist University [KEMU], Kenya

³ Doctor, Lecturer, School of Business and Economics, Department of Finance, Kenya Methodist University [KEMU], Kenya

Accepted: February 20, 2022

ABSTRACT

The purpose of the study was to assess the effect of financial education partnership on financial inclusion of commercial banks. The study was guided by resource-based theory to hypothesize the relationship between financial education partnership and financial inclusion. The study design adopted was descriptive and a sample of 384 was derived using stratified, simple random sampling from a population of 10,717 management staff from all the branches of commercial banks in Kenya. The study collected and analyzed primary and secondary data. Primary data was gathered using semi-structured questionnaires while secondary data was collected from bank supervision reports and annual statements published by individual banks. The study employed both descriptive and inferential statistics for data analysis. Regression and correlation were applied to determine the relationship between financial education partnership and financial inclusion. The findings established that financial education partnership positively and significantly predicted financial inclusion. This implied that as financial education partnership increases then financial inclusion will be increased. The study concluded that the use of financial education partnership as financial literacy delivery channel increased financial inclusion. Commercial banks in Kenya sparingly used financial education partnership. The majority used a partnership with the government to promote financial literacy by conducting workshops and conferences. The study recommended that commercial banks management should adopt aspects of financial education partnership currently not used. These include financial education sponsorship, partnering with other financial institutions, academic institutions through organizing lectures, and also being involved in a nationwide campaign to promote financial literacy.

Keywords: Financial Education Partnership, Financial Inclusion, Banks, Kenya

CITATION: Boldar, J. D. S., Omanwa, C., & Baimwera, B. (2022). Promotion of financial literacy through financial education partnership for financial inclusion in Kenya: Case of commercial banks. *The Strategic Journal of Business & Change Management*, 9 (1), 661 – 674.

INTRODUCTION

Financial inclusion focused on the supply and demand of full-service banks' monetary products and services. Monetary products are instruments that allow individuals and households to invest. Among them are credit cards, bank cards, stocks, debentures, and bonds. Hedge funds, options, futures, and swaps. Others include insurance, private equity, commodities, and currencies. Among the commodities are wheat, rubber, gold, diamond, iron ore, and other minerals beneath the earth. Meanwhile, financial service is a skillful service provided by actors within the financial industry. The services involve lending, investing, and asset management. Among the services are banking services, which involve checking and saving accounts and loans. Wealth management services are comprised of portfolios and asset valuations. Other services are audit, tax advisory, risk management, merger and acquisition, stockbroker services, and financial planning that involves saving for investment, credit and debt payment plans, cash management, insurance, and retirement planning. (Feyen, et al. 2021; Pazarbasioglu, et al. 2020).

The supply of monetary services by banks and demand by consumers enable financial inclusion to have enormous benefits that include employment, economic growth, and poverty alleviation (Sharma, et al. 2018; Al-Smadi, 2018; Iddik *et al.* 2018; VO *et al.* 2019). The objectives and benefits of inclusion are realized through its three indicators. According to the global policymakers, the indicators are access, availability, and usage (Demirgüç-Kunt et al. 2015; Nizam *et al.* 2020). The objectives are accomplished by banks, regulators, and consumers. Banks are engaged with four main tasks to achieve financial inclusion objectives. Firstly, ensuring that individuals and households obtain financial products and services at a reasonable cost.

Secondly, ensure that users' access banks financial facilities at their convenience. The convenience implies availability at a reachable location and in good quality, and are easy to access by the

population. Thirdly, providing consumers' awareness relating to the products and services usage. This consumer education is financial literacy comprising of financial knowledge, attitude, and behavior. Lastly, to comply with financial market regulations. Banks in both developed and developing economies have made tremendous efforts toward access and availability but usage remains a challenge mainly for the developing world (International Monetary Fund [IMF, 2020]; KNBS, CBK, and FSD, 2019). The challenge comes from the financial consumers and involved the usage of economic services provided by banks and informed financial decision-making. This has exposed banks to credit risk and liquidity risk from credit access that end in non-performing loans of microfinance services and digital loans (Lindahl, & Mokvist, 2020; Wamalwa et al. 2019). To counter these, financial institutions have embarked upon promoting financial literacy or monetary literacy.

In Canada, the industry for banking made immense contributions to financial literacy advancement for customers' usage of banking services. The Bankers Association in collaboration with the government developed Canada's financial literacy national strategy (Zhang, 2019; FCAC, 2017). The banking sector invested more than 8 million United States dollars in programs for customers' financial literacy beginning from 2010. Canadian bankers' association financial education activities comprised of funding various programs run by education groups and community volunteers to enhance consumers' financial awareness (CBA, 2015).

Similarly, the banking sector in the United States partners with government, private and not-for-profit organizations to market financial literacy education. The gesture is meant for usage, making informed decisions, and bringing stability to the industry (Yilmaz, 2020). The banking system provides financial education materials and employees function as volunteers to teach programs developed by the sector in schools, colleges, and universities. Financial institutions and other registered agencies (Migliavacca, 2020)

performed financial advisory services for financial market players. Organizations like Neighbor-Works and the Federal Deposit Insurance Corporation used delivery channels like digital platforms to supply online monetary literacy training to educators (Kasman et al. 2018).

In the same vein, financial institutions in Spain promote monetary literacy in many ways for users of financial products and services. The Spanish Bankers Association partnered with the Central Bank of Spain and launched the first financial literacy program in 2008 called "Finance for All" to develop the citizens' financial decision-making skills (Bover *et al.* 2018). The Bankers Association lobbied with the Central Bank of Spain and the Spanish parliament and a new education law was approved that introduced financial education in the curriculum of primary school and compulsory secondary education (Hospido, et al. 2015).

Nevertheless, Romania on the other hand suffered two major casualties, the global financial crisis in 2007-2009 and its own internal banking crisis. For rapid reform, the banking sector partners with the government and other organizations and invested in financial literacy (JA Romania, 2016). The banking industry in collaboration with other agencies formed a working group and developed the Romania national financial literacy plan in 2007. They also launched Money IQ & Money Online. These are the two large-scale financial education programs training Romanians on money management and are taught in schools (JA Romania, 2016) using a blended learning approach.

For South Africa, financial literacy is promoted through sponsorship but it is not binding. It is carried out in most organizations through individual institutions' initiatives. The banks fund financial literacy programs through their 2012 new Financial Sector Code (Garg & Singh, 2018; Sibanda & Sibanda, 2016). The banking sector promotes financial literacy through "in school to teach children to save initiative". Other institutions used financial education activities that include consumers' awareness, students' financial literacy

competitions, digital platforms, workshops, and special programs (Sibanda & Sibanda, 2016) to educate the financial consumer population.

The delivery channel financial education partnership is for resources mobilization for the development of financial education curriculum, teaching, and among other things. The partnership is the foundation of the delivery channels used to promote financial literacy and is achieved using the collaboration of banks and other organizations (Zhang, et al. 2021). Banks' financial education partnership creates a financial education network between organizations. This social network pools resources to promote financial literacy to a targeted audience. Contributions from organizations facilitate the development of financial literacy syllabuses and programs. The partnership helps to enrich financial education efforts by training employees from member institutions (Birochi & Pozzebon, 2016).

Most of the partnership financial literacy programs are designed mainly for youths in primary, secondary, colleges, and universities as well as those in the communities. The OECD maintained that the younger generation needs financial knowledge before becoming adults. The knowledge is usually obtained from school and in the community (OECD, 2015). In the US, for instance, JumpStart, Council for Economic Education, Junior Achievement, and the National Endowment for Financial Education programs focused mostly on youth financial literacy (Kasman et al. 2018). Using this delivery channel, bank associations' employees or experts provide several volunteering services (CBA, 2015). The industry experts develop and review financial literacy programs, provide lecture series and engage in other activities necessary to promote financial literacy.

The lecture series are usually classroom and workplace teaching, conferences, workshops & seminars presentations, local financial literacy fairs, exhibitions shows, and hosting of TV programs, Others are communities, towns & villages' awareness, nationwide students' competitions,

using media & religion institutions for awareness, creating financial literacy centers and hosting discussions, and awareness using financial literacy brochures, pamphlets and other documents (Bonga & Mlambo, 2016). This delivery channel has benefited many nations including the APEC Countries (OECD, 2018).

Financial inclusion is the backbone of each nation. Even Kenya has benefited from inclusion but to have a greater impact on the inhabitants and the economy its three global indicators; access, availability, and usage need to increase together. Studies showed that access and availability have increased concurrently in Kenya while usage that refers to the number of people using monetary products and services is low and remains a challenge for the commercial banks who are the suppliers and the main players for inclusion in the financial markets (Demirgüç-Kunt et al. 2015; Nizam *et al.* 2020; CBK, 2019). As a result of the low usage, less than 60% of the households and individuals within the population are using traditional banking services, electronic or internet banking services, pensions, digital loans, and insurance products. The low usage of traditional banking; checking and saving accounts is at 30%, digital banking services, that is mobile bank accounts, 25% and 8% for digital app loans, insurance product usage, 29%, and pension is 12.2%. The usage of mobile money services (M-PESA) is 79.4% but 23.3% of users have no accounts with formal financial institutions. The usage of traditional banking and mobile money services also coincides with increasing non-performing loans of 9.4%, 12.3%, and 19.6% in 2016, 2017, and 2018 (CBK, 2018; Mwangi, 2019; KBA, 2019; Finaccess, 2019; Van Hove & Dubus, 2019). Banks charge between 155-1,322 shillings for opening an account, and despite the low cost of account ownership, usage of financial services remains small. Of the population of 47.5 million 57% is in the productive age and from this group (18-64 years) 15.2 million have accounts with commercial banks while 11.9 million are still financially excluded (Deepening

Financial Sector [FSD], 2019; Kenya Bureau of Statistics, [KNBS], 2019; Pletcher, 2020)

Finaccess, 2019). The Central Bank of Kenya in 2019 mandated financial institutions to actively engage their customers in financial literacy to enhance their financial knowledge for making good decisions concerning financial issues (CBK regulation, 2019). Despite the steps taken by CBK, usage remains an issue and the number of individuals without financial knowledge for financial services usage continues to rise. The percentage of the inhabitants without financial literacy knowledge increased from 62% to 69.3% from 2014 to 2019. An average of 41% of the population has limited financial knowledge on the borrowing cost of the various types of loans and this has increased indebtedness (Klapper et al. 2015; Wamalwa et al. 2019; Finaccess, 2019). The promotion of financial literacy through modern channels like financial education partnership can contribute positively to financial inclusion and more specifically to the usage of commercial banks financial services which may result to poverty alleviation.

LITERATURE REVIEW

Resource-Based-View Theory: Wernerfelt (1984) and Barney (1991) elucidate the connection between the utilization of financial education partnership and financial inclusion. A partnership is often used as a technique by banks to spice up customers' financial literacy skills. As an example, financial institutions can partner with academic institutions, industry experts, and others for improving financial knowledge from the mixture of monetary and human capital resources. According to Wernerfelt (1984), the resource-based view is critical because it pooled resources that are valuable with no possibility for transferring or acquiring, are harder to imitate by competitors, and are capable of bringing a few major changes within the organization. Alliances strengthen organization growth by bringing together financial, human, intellectual, and physical resources. Further, resources are often internal and external, and mixing them using better strategy increases

organization competence. Working with only internal resources may hinder progress.

Bringing together the resources of two or more organizations, individuals or groups accelerates institution development. Also, it is essential for the utilization of their expertise, knowledge, and skills for adequate checks and balances, share responsibility and is paramount for capital accumulation. Resources integration is the best and fastest way of creating synergies in enhancing organization success. It enabled the organization to have a competitive edge over others (Kamboja et al. 2015; Barney, 1991).

Collaborations are a necessary mechanism for organization asset mobilization to accomplish the firm's goals (Madhok et al., 2010). It influences capability and is acceptable for gaining access to other valuable equipment that gives greater opportunity for achievement (Rice et al., 2012). The theory did not produce a selected meaning of the firm resources and also did not mention its measuring instruments. It did not justify whether resources are acquired or developed (Kraaijenbrink et al. 2010; Barney et al. 2011).

Banking is a challenging task and commercial banks operate in an environment where there are many competitors. They are involved in marketing financial services to the general public for profit. To make a profit they have to attract customers for the consumption of their goods and services. Banks customers are individuals and households, and one way to attract them is to provide the requisite education for products and services sold. The education to the consumers is continuity as long as banks exist because different kinds of products are produced every time and marketed. They need resources for the delivery of consumer education that do not generate income. The different channels of financial literacy delivery require a good amount of resources, and resources are scarce. For banks to succeed, they have to form a partnership among themselves and with other institutions and organizations as recommended by the OECD in 2012 (Kissimoto et al., 2016).

Authors have researched the significance of partnership in financial education and include Mross & Reiter (2019) who conducted a study in America on financial education partnership that sought to establish how academic library associations' partner with commercial banks and other organizations to support financial literacy education was managed for the student's success. The study surveyed 21 students who attended financial literacy programs organized by the library. Based on an exit survey, feedback was positive. Students indicated they found the sessions useful, and their financial knowledge improved after the sessions. The librarians also received calls from the participants asking for the sessions to be offered again in future semesters.

These findings showed that financial education partnership initiatives for financial literacy training between learning institutions and commercial banks improved student knowledge of budgeting and other financial concepts hence addressing their financial inclusivity. The study concluded that alliances are very useful in helping to address community problems such as financial literacy for library users. Such initiative supports the resource-based theory and the transformation theory. The provision of library financial literacy education using a partnership with banks has been successful in the United States but Kenya has not introduced it.

Moreover, Hendrickson, Croymans and Jokela (2017) used a partnership with organizations, university libraries, and communities for financial literacy month to assess financial literacy promotion for youth. The qualitative survey concluded that huge benefits are associated with affiliation and among them are friendship, planning, and sharing of information. The study lamented that communication in the network between organizations and people enabled the youngsters to learn financial literacy concepts from materials available and parents also benefited in getting financial knowledge from materials provided by the communities and libraries. The use of university organizations to a partnership with communities

and libraries to promote financial literacy for young people had succeeded in American society but such as has not taken place in Kenya.

Closely, Hill et al. (2020) adopted a cross-disciplinary approach to financial education partnership to assess undergraduate students in higher education financial literacy level. It was established that financial literacy partnership between schools and communities helps to expand financial literacy among people, improves individual financial knowledge for personal financial management, and increases their confidence in making financial decisions. The study adopted the qualitative technique and used focus group discussions with 70 students. The participants were divided into six discussion groups each performing specific functions. The authors concluded that challenges of individual financial literacy can be overcome with the aid of financial education partnerships.

Similarly, Mosley (2017) employed a collaborative model to analyze partnerships in financial education between schools, individuals, and agencies for resources mobilization in meeting the community needs. The study established that partnership is the driving force behind financial literacy activities for young people of school-going age. Further, through collaboration, financial literacy programs are implemented with ease in schools and in communities for improving financial knowledge. The study adopted the qualitative methodology and used the case study approach to study a sample population of 133 individuals comprising 115 youth and 18 adults. In conclusion, the authors acknowledged the strength of alliances as the gateway to finding quick solutions to organization challenges by using a team of experts and resources generated.

In addition, Visano & Ek-Udofia (2017) applied PEACH and York University Community financial literacy partnership to find out the benefits of inclusive pedagogy in learning that requires marginalized youths guided by financial experts to serve as consultants in financial literacy workshops

organized to encourage a sense of self-initiative where student- facilitators identify financial literacy problems and develop the analytic skills in finding solutions. The study was conducted based on two structured workshops with 25 marginalized youths. The result showed that the partnership efforts enabled facilitating students in the financial literacy workshops to develop active engagement potential in constructing their learning and such learning approach addressed their financial inclusion. The study concluded that inclusive pedagogy brings about creativity that enables learners to use their ability to develop financial literacy problem-solving strategies which create financial awareness in the community.

A survey carried out by Nkuna et al. (2018) examined commercial banks' role and financial education partnership initiatives for inclusion in Malawi. It was established in the qualitative study that partnership increased customers' financial literacy and their collaboration also enabled the formation of consumer protection policies by the industry. It also enabled the banks to engage in other initiatives in their cooperation to address other barriers in enhancing financial inclusion. The results also pointed out that the banks had little accomplishment for expansion of branches but the number of electronic payment systems like ATMs has increased and agency banking has expanded in the rural areas reaching the unserved population.

Likewise, Friedline et al. (2015) assessed the significance of partnership in financial education between academic institutions and banks for operating children saving accounts for low-income students of the GEAR UP project. The results showed that financial institutions' alliances with stakeholders open the corridor for teamwork to develop better strategies for effective planning and management of children's savings programs. The survey conducted adopted the qualitative method and employed purposive sampling to focus on underprivileged students. The target population was 10 employees from 6 banks with 4 beneficiaries from the project. The low-income students saving

program implemented as the result of financial education partnership is effective in the United States but has not been applied in Kenya.

Trunk et al. (2017) conducted a study in EU countries for banks' customers' financial literacy training using the case of banks in Slovenia. The survey explored banks' approaches and patterns of education and training to increase customers' financial literacy knowledge in Slovenia. The findings established that banking institutions are successful to increase customers' financial knowledge through seminars, and conferences using initiatives that included financial education partnerships. These results confirm the outcomes of Bire & Sauw (2019); Chutani et al. (2015) and Molefe (2017) concerning the strength of training in financial literacy for financial inclusion.

A study by Further and Sari (2018) found that banks' financial literacy partnership programs in tertiary-level education can improve students' financial knowledge to scale back their consumer behavior and hence, promote their financial inclusion. The study concluded that higher education financial literacy programs are significant in addressing students' money management problems to their consumption level. The programs are intended for the youths in enhancing their understanding of banking activities including monetary products and services. These financial education schemes are awareness provided by banks and their partners on banking solutions and financial literacy.

Lacatus et al. (2018) assessed financial education partnership programs between schools and institutions in the banking sector for improving students' financial skills for competencies. The study concluded that schools and banks have differing views concerning financial competencies. As a result, both are dealing with separate types of population with different objectives and financial education programs. Banks viewed financial competencies from financial literacy while the schools considered competencies to be linked to economic education. The study showed weak coordination between banks and schools' financial

education partnerships in promoting financial literacy for financial inclusion. For banks and schools to achieve the same objectives and not differing views in financial education partnership, banks have to design the programs and control them in the schools.

Chung and Park (2015), study forms of financial education partnership for the acquisition of financial knowledge. To get outcomes and conclusions, the authors developed and tested two hypotheses. The authors hypothesized that the interconnection between groups in learning financial education positively influenced financial literacy knowledge. Further, the authors theorized that support to groups and support among individual members within groups strengthen the financial education network and is positively associated with financial literacy. These hypotheses were tested on data gathered from respondents of 105 students in higher education.

The findings revealed that education networks solidified learning between groups in financial education and it is positively correlated with monetary literacy. The outcomes of the research work concurred with those of Bongomin et al. (2016) and Rahmawati & Rahadian, (2018) who established that various sorts of networks correlated with financial literacy and inclusion. Last, the authors indicated that strong social interaction between students and their lecturers in learning financial education contributes to improving students' financial literacy knowledge. The number of members in social network groups impacts the promotion of monetary knowledge among those acquiring such knowledge. A partnership between organizations and education institutions supports the necessity for quality financial literacy programs to strengthen the financial skills acquired by students. The education network between groups in learning financial education in higher institutions of learning is successful within the United States but such network has not figured out in Kenya.

Research by Koomson et al. (2020) used gender diversity to analyze training in financial literacy partnership for financial inclusion and reported that financial education training significantly impacts female account ownership and male saving behavior. The results also indicated that those that gain financial knowledge through training are likely to have an account at a financial organization and save.

METHODS

The research design adopted was the descriptive survey while the population was all 10,717-management staff of the 40 banks engaged in commercial activities in Kenya. The banks had 1,503 branches across the country which was taken for unit analysis while the unit of observation was 10,717 staff in management positions of all the customer banks. The sample size was 384 respondents. The study adopted stratified and probability sampling to get a sample of 384 respondents comprising 199 from large banks, 120 from medium-size banks, and 65 small banks. The study collected and analyzed primary and secondary data. The former was gathered using semi-structured questionnaires to respondents and the latter from Kenya Central Bank and the Banking survey manuals. For data analysis, descriptive statistics were employed to compute means,

frequencies, and standard deviation while inferential statistics involving regression and correlation was applied to work out the connection between the study variables using advanced SPSS computer software version 23.

RESULTS AND DISCUSSIONS

The study covered 215 of the 1,503 branches of commercial banks in Kenya. A total of 274 questionnaires were collected representing a 71.4% return rate. The high response rate was associated with the physical drop-and-pick methodology adopted during the survey.

The results indicated in Table 1 revealed that the organized lectures in various learning institutions to market financial literacy was the smallest amount adopted financial education partnership that was utilized by full-service banks in Kenya as shown from the mean score of 2.86 while seminars and conferences in promoting financial literacy were the foremost used strategies to market financial literacy. The results revealed that the general score for financial education partnership employed by banks to promote financial literacy was 3.43 which indicated that the practice of financial education partnership as a delivery channel by commercial banks in Kenya to promote financial literacy for financial inclusion was below average.

Table 1: Results for use of Financial Education Partnership Delivery Channel

	Obs.	Mean	Std. Dev.
Our bank uses financial education sponsorship to promote financial literacy.	274	3.41	1.07
Our bank partners with other financial institutions to promote financial literacy.	274	3.47	1.04
Our bank partners with the government to promote financial literacy.	274	3.61	0.94
Our bank organized lectures in various learning institutions to promote financial literacy.	274	2.86	1.08
Our bank has adopted workplace teaching to help its customers in financial literacy.	274	3.55	1.08
Our bank conducts seminars and conferences in promoting financial literacy.	274	3.66	1.02
This bank has been involved in a nationwide campaign to promote financial literacy.	274	3.29	1.02
The use of financial education partnerships by our bank has improved financial inclusion in Kenya.	274	3.56	1.03
overall mean score		3.43	

Effect of utilization of financial education partnership as financial literacy delivery channel for commercial banks Financial Inclusion

The model summary in Table 2 showed that the model had an R-square of 0.545 which inferred that holding other factors constant financial education partnership explained 54.5% of the variation in financial inclusion of commercial banks in Kenya. The findings in Table 2 showed the analysis of variance (ANOVA). The F-statistic obtained was 114.94 with a p-value of 0.000. The results indicated that the overall univariate model employed to connect financial education on partnership and financial inclusion was significant. The result further indicated that financial education partnership was a significant predictor of financial inclusion of full-service banks in Kenya.

The coefficient $\beta = 0.504$ with $p\text{-value} = 0.000 < 0.05$ implied use of financial education partnership as

financial delivery significantly and positively predicted the variations in financial inclusion of commercial banks in Kenya. The findings indicated that a unit change in financial education partnership would end in a 0.504 unit change in financial inclusion of commercial banks in Kenya. The results further affirmed that there was a significant positive linear relationship between financial education partnership and financial inclusion of full-service banks. The findings agreed with Sari (2018), who established that banking institutions' financial literacy partnership programs in schools can improve students' financial knowledge to scale back their consumer behavior and promote their financial inclusion. The study concluded that education institutions' financial literacy programs were significant in addressing students' money management problems about their consumption level.

Table 2: Regression Analysis outcomes

	B	Std. Error	Beta	t	Sig.	
(Constant)	1.969	0.167		11.785	0.000	
Financial education partnership	0.504	0.047	0.545	10.721	0.000	
		Sum of Squares	Df	Mean Square	F	Sig.
Model	Regression	44.509	1	44.509	114.94	.000b
	Residual	105.329	272	0.387		
	Total	149.838	273			
Model Summary						
R	.545a					
R Square	0.297					
Adjusted R Square	0.294					
Std. Error of the Estimate	0.62228					

a Dependent Variable: Financial Inclusion

b Predictors: (Constant), Financial Education Partnership

CONCLUSION AND RECOMMENDATIONS

The study concluded that the utilization of financial education partnership as financial literacy delivery channels increased financial inclusion. Commercial banks in Kenya sparingly used these delivery channels. The bulk used a partnership

with the government to market financial literacy by conducting workshops and conferences in promoting financial literacy. Other sorts of financial education partnerships had not been fully utilized to reinforce financial education sponsorship. Utilizing other sorts of partnerships

could enable banks to arrange lectures in education institutions, conduct seminars, nationwide campaigns, and other activities to market financial literacy. The study, therefore, concluded that the utilization of partnership in financial education can significantly enhance financial literacy which successively can improve financial inclusion especially the usage of monetary services provided by commercial banks in Kenya.

For practice advancement, the study recommended that full-service banks management should adopt aspects of financial education partnership currently not use. These include financial education sponsorship, partnering with other financial

institutions, academic institutions through organizing lectures, and also being involved in a nationwide campaign to market financial literacy. This involves the bank's management entering into contracts with learning institutions, international stakeholders, and development partners like the international bank for reconstruction and development, the African Development Bank, and the IMF who can sponsor financial education partnership as a way of promoting financial literacy for financial inclusion. On the policy level, the ministry of finance and CBK should formulate policies to mandate the commercial banks to interact in financial education partnerships with various players in promoting financial literacy.

REFERENCES

- Al-Smadi, M. O. (2018). The role of financial inclusion in financial stability: lesson from Jordan. *Banks and Bank Systems*, 13(4), 31-39 [http://dx.doi.org/10.21511/bbs.13\(4\).2018.03](http://dx.doi.org/10.21511/bbs.13(4).2018.03)
- Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, pp.99–120. Texas A&M University, Department of Management, College Station TX 77843 Copyright by Southern Management Association 0149-2063/91/\$2.00.
- Bire, A. R., & Sauw, H. M. (2019). The effect of financial literacy towards financial inclusion through financial training. *International journal of social sciences and humanities*, 186-192. <https://doi.org/10.29332/ijssh.v3n1.280>
- Birochi, R., & Pozzebon, M. (2016). Improving financial inclusion: Towards a critical financial education framework. *Revista de Administração de Empresas*, 56(3), 266-287. DOI: <http://dx.doi.org/10.1590/S0034-759020160302>
- Bonga, W. G., & Mlambo, N. (2016). Financial literacy improvement among women in developing nations: A case for Zimbabwe. *Quest Journals, Journal of Research in Business and Management*, 4(5), 22-31. file:///C:/Users/User/Downloads/D452231-WomenFinancialLiteracy2016.pdf
- Bongomin, G. O. C., Ntayi, J. M., Munene, J. C., & Nabeta, I. N. (2016). Social capital: mediator of financial literacy and financial inclusion in rural Uganda. *Review of International Business and Strategy*. www.emeraldinsight.com/2059-6014.htm DOI 10.1108/RIBS-06-2014-0072
- O., Hospido, L., & Villanueva, E. (2018). The impact of high school financial education on financial knowledge and choices: Evidence from a randomized trial in Spain. Discussion paper series. IZA DP No. 11265 <https://ssrn.com/abstract=3116054> ISSN: 1579-8666 (on line)
- Canadian Banker Association (2015). Focus: Banks and Financial Literacy-Canadian Banker Association. Available at <https://cba.ca/banks-and-financial-literacy>
- Central Bank of Kenya (2018), Bank Supervision Annual Report.

- Chung, Y., & Park, Y. (2015). The effects of financial education and networks on business students' financial literacy. *American Journal of Business Education (AJBE)*, 7(3), 229-236.
<file:///C:/Users/User/Downloads/ciadmin,+Journal+manager,+8632-34218-1-CE.pdf>
- Chutani, R., Purohit, H., & Purohit, S. (2015). Change in Financial Literacy in Punjab and Haryana Post-Financial Inclusion Schemes. Available at SSRN 2677132. DOI: [10.2139/ssrn.2677132](https://doi.org/10.2139/ssrn.2677132)
- Demirguc-Kunt, A., Klapper, L., Singer, D., & Van Oudheusden, P. (2015). *The global finindex database 2014: Measuring financial inclusion around the world*. The World Bank.
<https://thedocs.worldbank.org/en/doc/681361466184854434-0050022016/original/2014GlobalFindexReportDKSV.pdf>
- FCAC (2017). Financial Consumer Agency of Canada publishes 2017-2018 Annual Report
<https://www.canada.ca/en/financial-consumer-agency.html/https://www.newswire.ca/news-releases/financial-consumer-agency-of-canada-publishes-2017-2018-annual-report-695200301.html>
- FSD (2019). Deepening Financial Sector of Kenya; Annual Report 2019, Creating value through inclusive finance
https://fsdkenya.org/wp-content/uploads/2020/07/FSD-Kenya-Annual-Report-2019-HD-1_compressed.pdf
- Feyen, E., Frost, J., Gambacorta, L., Natarajan, H., & Saal, M. (2021). Fintech and the digital transformation of financial services: implications for market structure and public policy. *BIS Papers*.
<https://www.bis.org/publ/bppdf/bispap117.pdf>
- Finaccess (2019). 2019 FINACCESS Household Survey; Access/Usage/Quality/Impact
[https://www.centralbank.go.ke/uploads/financial_inclusion/1035460079_2019%20FinAcces%20Report%20\(web\).pdf](https://www.centralbank.go.ke/uploads/financial_inclusion/1035460079_2019%20FinAcces%20Report%20(web).pdf)
- Friedline, T., Scanlon, E., Johnson, T., & Elliott, W. (2015). Educational and Financial Institutions Partnering to Implement CSAs: Evaluation of Financial Partners' Perspectives from the 2011 GEAR UP Invitational Priority. *Journal of Community Practice*, 23(2), 203-237.
<https://www.tandfonline.com/doi/pdf/10.1080/10705422.2015.1027461?needAccess=true> DOI: 10.1080/10705422.2015.1027461
- Garg, N., & Singh, S. (2018). Financial literacy among youth. *International journal of social economics*. DOI 10.1108/IJSE-11-2016-030 Emerald Insight at: www.emeraldinsight.com/0306-8293.htm
- Hendrickson, L., Croymans, S., & Jokela, R. H. (2017). Partnering with Local Libraries to Promote Youth Financial Literacy. *Journal of Consumer*, 29, 25-34.
http://www.cefe.illinois.edu/JCE/archives/2012_vol_29/2012_vol_29_pg25-34_Hendrickson_et_al.pdf
- Hill, S., Beiter, E., & Leverone, C. (2020). An Interdisciplinary Partnership to Address Financial Literacy among Under-graduate Students. *IMPACT: The Journal of the Center for Interdisciplinary Teaching and Learning*. Winter 2020, 23. <http://sites.bu.edu/impact/files/2020/02/WINTER-2020-IMPACT-FV.pdf#page=23>
- H. Plecher, (2020). Kenya: Unemployment rate from 1999 to 2020. Retrieved from
<https://www.statista.com/statistics/808608/unemployment-rate-in-kenya/>

- Hospido, L., Villanueva, E., & Zamarro, G. (2015). Finance for all: The impact of financial literacy training in compulsory secondary education in Spain. <https://scholarworks.uark.edu/cgi/viewcontent.cgi?article=1107&context=edrepub>
- Iddik, M., Alam, N., & Kabiraj, S. (2018). Does financial inclusion induce financial stability? Evidence from cross-country analysis. *Australasian Accounting, Business and Finance Journal*, 12(1), 34-46. doi:10.14453/aabfj.v12i1.3
<https://ro.uow.edu.au/cgi/viewcontent.cgi?referer=https://scholar.google.com/&httpsredir=1&article=1831&context=aabfj>
- JA Romania (2016). Sharpening Financial Education. Know the right partnerships can hon the skills of tomorrow's entrepreneurs and employees Available at: [ja-europe_sharpening-financial-education-report.pdf](#)
- Kamboj, S., Goyal, P., & Rahman, Z. (2015). A resource-based view on marketing capability, operations capability and financial performance: An empirical examination of mediating role. *Procedia-Social and Behavioral Sciences*, 189(2015), 406-415. Doi: 10.1016/j.sbspro.2015.03.201
- Kasman, M., Heuberger, B., & Hammond, R. A. (2018). A review of large-scale youth financial literacy education policies and programs. Washington, DC: The Brookings Institution. http://www.brookings.edu/wp-content/uploads/2018/10/ES_20181001_Financial-Literacy-Review.Pdf
- Kissimoto, K. O., Laurindo, F. J., & Mattos, C. A. (2016). The impact of collaboration in the business performance perception: A study on the influencing factors. In *Proceedings of PICMET'14 Conference: Portland International Center for Management of Engineering and Technology; Infrastructure and Service Integration* (pp. 289-296). IEEE. <file:///C:/Users/User/Downloads/Picmet2014.pdf>
- Klapper, L., Lusardi, A., & Van Oudheusden, P. (2015). Financial literacy around the world. *Standard & Poor's Ratings Services Global Financial Literacy Survey. Washington: Standard & Poor's.* https://responsiblefinanceforum.org/wp-content/uploads/2015/12/2015-Finlit_paper_17_F3_SINGLES.pdf
- Koomson, I., Villano, R. A., & Hadley, D. (2020). Intensifying financial inclusion through the provision of financial literacy training: a gendered perspective. *Applied Economics*, 52(4), 375-387. <https://doi.org/10.1080/00036846.2019.1645943>
- Kraaijenbrink, J., Spender, J. C., & Groen, A. J. (2010). The resource-based view: a review and assessment of its critiques. *Journal of management*, 349-372. DOI: 10.1177/0149206309350775
- Lacatus, M. L., Ramona-Elena, R. N., & Staiculescu, C. (2018). Financial competences in financial education programs developed by schools and commercial banks. *revista economica*, 70(1). <http://economice.ulbsibiu.ro/revista.economica/archive/70113lacatus&richiteanu-nastase&staiculescu.pdf>
- Madhok, A., Li, S., & Priem, R. L. (2010). The resource-based view revisited: Comparative firm advantage, willingness-based isolating mechanisms and competitive heterogeneity. *European Management Review*, 91-100. Doi:10.1057/emr.2010.6
- Migliavacca, M. (2020). Keep your customer knowledgeable: financial advisors as educators. *The European Journal of Finance*, 26(4-5), 402-419. <https://doi.org/10.1080/1351847X.2019.1700148>
<https://www.tandfonline.com/doi/full/10.1080/1351847X.2019.1700148>

- Molefe, M. I. (2017). *Financial literacy training and financial inclusion in Lesotho* (Master Thesis). <http://wiredspace.wits.ac.za/bitstream/handle/10539/23672/Research%20Report%20M%20M%20Molefe%20%20March%202016%20Final%20To%20Submit%2024%20March.pdf?sequence=1&isAllowed=y>
- Mross, E. L., & Reiter, L. (2019). Building Capital at the Library: Financial Literacy Programming and Partnerships. *Pennsylvania Libraries: Research & Practice*, 7(1), 54-60. DOI 10.5195/palrap.2019.196 [file:///C:/Users/User/Downloads/196-1887-1-PB%20\(2\).pdf](file:///C:/Users/User/Downloads/196-1887-1-PB%20(2).pdf)
- Mosley, C. (2014). A Model for Collaborative Partnership: Virginia Cooperative Extension and the Local School System Support Financial Education Mandates. [https://vtechworks.lib.vt.edu/bitstream/handle/10919/51510/Mosley Project Report.pdf?sequence=1&isAllowed=y](https://vtechworks.lib.vt.edu/bitstream/handle/10919/51510/Mosley%20Project%20Report.pdf?sequence=1&isAllowed=y)
- Mwangi, I. (2019). Measures and Distribution of Financial Inclusion in Kenya. DOI: 10.7176/EJBM/11-22-07 [file:///C:/Users/User/Downloads/MeasuresanddistributionoffinancialinclusioninKenya%20\(5\).pdf](file:///C:/Users/User/Downloads/MeasuresanddistributionoffinancialinclusioninKenya%20(5).pdf)
- Nizam, R., Karim, Z. A., Rahman, A. A., & Sarmidi, T. (2020). Financial inclusiveness and economic growth: new evidence using a threshold regression analysis. *Economic Research-Ekonomika Istraživanja*, 33(1), 1465-1484. [Doi.org/10.1080/1331677X.2020.1748508](https://doi.org/10.1080/1331677X.2020.1748508) <https://www.tandfonline.com/doi/pdf/10.1080/1331677X.2020.1748508?needAccess=true>
- Nkuna, O., Lapukeni, A.F., Kaude, P. and Kabango, G. (2018) The Role of Commercial Banks on Financial Inclusion in Malawi. *Open Journal of Business and Management*, 6, 813-832. <https://doi.org/10.4236/ojbm.2018.64061> <http://www.scirp.org/journal/ojbm>
- KNBS (2019). Kenya Population and Housing Census, 2019 Volume I and Volume II [file:///C:/Users/User/Downloads/VOLUME%20I%20KPHC%202019%20\(3\).pdf](file:///C:/Users/User/Downloads/VOLUME%20I%20KPHC%202019%20(3).pdf) <http://housingfinanceafrica.org/app/uploads/VOLUME-II-KPHC-2019.pdf>
- OECD (2018). The status of APEC financial literacy, inclusion and consumer protection in today's digital world this version: September 2018. http://mddb.apec.org/Documents/2018/MM/FMM/18_fmm_017.pdf
- OECD/INFE (2015). National strategies for financial education: OECD/INFE policy handbook <https://www.oecd.org/daf/fin/financial-education/National-Strategies-Financial-Education-Policy-Handbook.pdf>
- Pazarbasioglu, C., Mora, A. G., Uttamchandani, M., Natarajan, H., Feyen, E., & Saal, M. (2020). Digital financial services. *World Bank Group*, 54. <https://pubdocs.worldbank.org/en/230281588169110691/Digital-Financial-Services.pdf>
- Rahmawati, S., & Rahadian, D. (2018). Effect of financial literacy on financial inclusion with social capital as mediator (Survey on society of productive age in Regency Bandung). In *Proceeding of International Seminar & Conference on Learning Organization*.
- Rice, J., Liao, T. S., Martin, N., & Galvin, P. (2012). The role of strategic alliances in complementing firm capabilities. *Journal of Management & Organization*, 18(6), 858-869. DOI: <https://doi.org/10.5172/jmo.2012.18.6.858> <https://www.cambridge.org/core/journals/journal-of-management-and-organization/article/abs/role-of-strategic-alliances-in-complementing-firm-capabilities/7B4866A38A714507C8AEFEEA324E5984>

- Sari, D. E. (2018). Implementation of Financial Literacy Education on Accounting Education Students through University-Bank Partnership to Reduce Student's Consumptive Behavior. In Science, Engineering, Education, and Development Studies (SEEDS): Conference Series (Vol. 2, No. 1). file:///C:/Users/User/Downloads/25360-59534-1-PB.pdf
- Sibanda, S., & Sibanda, T. (2016). Financial education in South Africa: Overview of key initiatives and actors. International Labor Organization Innovative Finance for Social Justice, 1-36. Available at https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_545803.pdf
- Trunk, A., Kočar, S. and Širca, N.T. (2017) 'Education and training for financial literacy: the role of banks – case study Slovenia', Int. J. Innovation and Learning, pp.385–406.DOI: [10.1504/IJIL.2017.086735](https://doi.org/10.1504/IJIL.2017.086735) file:///C:/Users/User/Downloads/IJIL220307TRUNK%20(5).pdf
- Van Hove, L., & Dubus, A. (2019). M-PESA and Financial Inclusion in Kenya: Of Paying Comes Saving? Sustainability, 11(3), 568. file:///C:/Users/User/Downloads/sustainability-11-00568-v2%20(5).pdf
- Visano, B. S., & Ek-Udofia, I. (2017). Inclusive financial literacy education for inspiring a critical financial consciousness: An experiment in partnership with marginalized youth. International Journal of Inclusive Education, 21(7), 763-774. DOI:10.1080/13603116.2016.1252430 file:///C:/Users/User/Downloads/SSRN-id3086662%20(1).pdf
- VO, A. T., Van, L. T. H., VO, D. H., & McAleer, M. (2019). Financial inclusion and macroeconomic stability in emerging and frontier markets. *Annals of Financial Economics*, 14(02), 1950008. prints.ucm.es/id/eprint/54660/1/1901.pdf
- Wamalwa, P., Rugiri, I., & Lualaba, J. (2019). Digital Credit, Financial Literacy and Household Indebtedness (No. 38). Working Paper Series. <https://www.kba.co.ke/downloads/WPS-08-2019.pdf>
- Wernerfelt, B. (1984). A Resource-Based View of the Firm. *Strategic Management Journal*, Vol. 5, No. 2. (Apr. - Jun., 1984), pp. 171-180. <http://www.jstor.org/stable/2585283> Graduate School of Business Administration, the University of Michigan, Ann Arbor, Michigan, U.S.A
- Yilmaz, K. (2020). States and school finance. *Regional Science Policy & Practice*, 12(3), 539-549. <https://doi.org/10.1111/rsp3.12221> <https://rsaiconnect.onlinelibrary.wiley.com/doi/abs/10.1111/rsp3.12221>
- Zhang, J. (2019). *The Context and Effects of Financial Literacy in Canada* [Doctoral thesis, Concordia University]
- Zhang, Y., Lu, X., & Xiao, J. J. (2021). Can financial education improve consumer welfare in investment markets? Evidence from China. *Journal of the Asia Pacific Economy*, <https://doi.org/10.1080/13547860.2021.1933694> <https://www.tandfonline.com/doi/pdf/10.1080/13547860.2021.1933694?needAccess=true>