



Breaking Barriers: A Comprehensive Study on Financial Literacy Impacting Women Entrepreneurs' Financial Behavior

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Abstract

Several studies have shown that financial literacy is crucial in the business world. Those who are more financially literate tend to manage debt and investment better. Hence, financial literacy is paramount for entrepreneurs, particularly women entrepreneurs, to assist them in their daily transactions. The study explores the link between financial literacy and financial behaviour among women entrepreneurs in Ilocos Norte, Philippines. The study employed a quantitative research design and analyzed survey data collected from 377 women entrepreneurs using structural equation modelling to explore the relationship between financial literacy and financial behaviour. The data collected revealed that women entrepreneurs have sufficient financial literacy. Furthermore, the findings showed that financial behaviour is positively influenced by financial literacy, as demonstrated by linear regression analysis.

Keywords *Financial Literacy, Women Entrepreneurs, Financial Behaviour, Debt Management Behaviour, Investment Behaviour*

INTRODUCTION

The role of women has been limited and often marginalized, as history says. According to [Gran \(2020\)](#), women have always been responsible for home maintenance and raising children. However, their role has evolved, and they have taken on new responsibilities in various fields, including business. Women are now taking on leadership roles, becoming entrepreneurs, starting their own companies, and driving economic growth. Women entrepreneurs have been independent in carrying out their entrepreneurial activities in their daily business operations. Moreover, [Erhomosele and Obi \(2022\)](#) have confirmed a significant association between financial literacy and entrepreneurial growth. As a result, financial literacy is a critical skill for any entrepreneur's development.

[Haque and Zulfiqar \(2016\)](#) found that women's financial well-being and empowerment rise with financial literacy and positivity. It has also been emphasized by [De Vita et al. \(2014\)](#) that women entrepreneurs significantly contribute to poverty alleviation, gender equality, and the creation of productive work. This relates to the study of [Andarsari and Ningtyas \(2019\)](#); financially literate people tend to budget, save, limit spending, participate in the stock market, and arrange pension funds, among other things. A deeper understanding of understanding and awareness of money empowers individuals to manage their finances in their daily lives more easily. Therefore, financial literacy and behaviour can influence entrepreneurs' financial satisfaction, according to [Hasibuan et al. \(2018\)](#).

Everyone, especially women entrepreneurs, requires financial literacy since they must be able to manage their own and corporate finances. Those who are financially literate are more likely

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to obtain external investment and can manage debt well. However, less successful entrepreneurs, mainly in the informal sector, had stagnated growth and needed more financial behaviour. Therefore, low financial literacy is a global issue that can affect entrepreneurial success, as stated in the study by [Erhomoesele and Obi \(2022\)](#).

Financial literacy empowers individuals, especially women, to make independent decisions. A survey by [Struckell et al. \(2022\)](#) found that self-employed women have higher financial knowledge as compared to self-employed men. However, women entrepreneurs need to understand financial terminologies, mechanisms of financial access, and government initiatives for women entrepreneurs properly, according to [Younas and Rafay \(2021\)](#). Research can help improve women's entrepreneurship programs and policies, as stated by [Agarwal and Lenka \(2018\)](#).

The [Global Entrepreneurship Monitor \(n.d\)](#) found that fewer women than men own and manage businesses that have been active for more than 42 months. Women start businesses younger and are more educated than men, particularly in low-income countries. The [OECD and European Union \(2019\)](#) reports that entrepreneurs from underrepresented groups such as women, youth, the unemployed, and immigrants with fewer skills are less likely to run high-growth businesses or hire others due to barriers such as lack of skills, networks, and access to finance. Propagating negative stereotypes about women entrepreneurs reinforces harmful biases and detracts from the valuable skills and talents that women bring to the business world.

Studies have revealed the existence of a gender gap among women entrepreneurs. Consequently, there is a need for further academic literature to substantiate the financial literacy and economic behavior of women, as this knowledge is crucial for their empowerment. Additionally, it seeks to reach out to women entrepreneurs as its primary audience to convey the importance of being financially literate to manage entrepreneurship and achieve success. Thus, a study of this type could prove helpful for financial literacy campaigns and other programs for women entrepreneurs.

Research Problems

Generally, the study aims to determine the level of financial literacy and financial behaviour of women in Ilocos Norte. Specifically, it will answer the following research questions:

1. What is the level of financial literacy of women entrepreneurs in terms of:
 - a. Basic Financial Literacy
 - b. Advanced Financial Literacy
2. What is the level of financial behaviour of women entrepreneurs in terms of:
 - a. Investment Behavior
 - b. Debt management
3. Is there a significant relationship between financial literacy and financial behaviour?
4. What strategies can be implemented to help women entrepreneurs improve their financial literacy and financial behaviour?

LITERATURE REVIEW

The study uses liberal feminism and human capital theories. Women entrepreneurs face constraints due to gender inequality but can perform equally to men if addressed. The liberal theory explains women's behaviour towards entrepreneurial success. This theory has been used in the study of [Nasir et al. \(2019\)](#) to highlight the discrimination-based disadvantages faced by women entrepreneurs. The liberal theory is adopted in the study to explain women's behaviour towards entrepreneurial success. It is said in the study of [Malinao \(2021\)](#) that the entrepreneurial purpose is significantly influenced by training, seminars, and workshops, as well as positive perceptions of entrepreneurs and motives. These factors play a crucial role in the success of entrepreneurship in

the region.

Likewise, according to [Becker \(2009\)](#), human capital theory suggests that education and training are crucial for business success. Women entrepreneurs with high financial literacy are better equipped to manage finances, make informed decisions, and secure funding. The following studies use human capital theory. First is the study of [Mielitz et al. \(2018\)](#), which employs the idea of human capital to explore how attending a financial education program benefits prisoners in Augusta, Georgia. Second, the existing framework suggests that the differences in financial literacy between genders (male and female) can be ascribed to education, age, marital status, and personality. These factors impact the costs and benefits of financial literacy investments, as highlighted by [Lusardi and Mitchell \(2014\)](#), [Preston and Wright \(2019\)](#), and [Robson and Peetz \(2020\)](#).

Financial Literacy

[Khairy \(2019\)](#) defines financial literacy as an individual's understanding of financial concepts, risk identification, and the skills, motivation, and confidence to make informed financial decisions. According to [Hasan et al. \(2021\)](#), one of the most significant factors that have contributed to improving financial inclusion is the possession of financial literacy. [Andarsari and Ningtyas \(2019\)](#) prove that individuals with a greater grasp of financial concepts are more likely to practice financial responsibility daily.

[Damayanti \(2018\)](#) emphasizes the importance of financial literacy in preventing financial problems, such as inadequate income and credit usage. As financial literacy increases in industrialized nations, individuals must understand and manage their finances effectively. Moreover, [Kezar and Yang \(2010\)](#) assert that financial literacy is a crucial life skill and intellectual competence. It aids in understanding and managing personal money, ensuring financial stability, making informed decisions, and securing the future. It also enhances critical thinking by encouraging individuals to analyze complex financial information.

Basic Financial Literacy

Basic financial literacy is defined by [Eid et al. \(2023\)](#) as a comprehensive comprehension of all money-related concepts, including numeracy, compound interest, currency time value, inflation, and monetary illusion. These abilities are crucial for the computation of investment returns, interest rates, and budgets. Comprehending compound interest would facilitate understanding borrowing and savings, whereas knowledge of inflation is advantageous for future financial planning due to its impact on purchasing power. Due to fluctuations in interest rates and inflation, the time value of money reflects its fluctuating value. Building these skills can help individuals make informed financial decisions and navigate personal finance complexities more effectively.

Advanced Financial Literacy

Enhancing fundamental financial literacy, advanced financial literacy encompasses intricate financial concepts and practices such as analyzing investments, planning for retirement, managing risks, optimizing taxes, devising estate plans, and more. According to [Eid et al. \(2023\)](#), as the financial literacy of MSE owners increases, so does their ability to evaluate financial matters and services. This leads to improved decision-making and the ability to solve financial problems, ultimately reducing anxiety about future financial stability.

Financial Behavior

[Hira et al. \(2009\)](#) suggest that an individual's attitude and behaviour influence financial

behaviour in finance, which refers to their approach to financial affairs and management. [Joo and Grable \(2004\)](#) highlight that economic behaviour is controlled by an individual's ability to manage financial resources such as savings, budget planning, insurance, and investments, as well as their ability to manage cash, debt, and other expenses. Financial behaviour refers to an individual's treatment and management of resources, including income generation, expenditure control, investment, and timely bill payment. Responsible individuals can effectively use money for income generation, expenditure control, and timely bill payment.

Investment Behavior

[Van Raaij's \(2016\)](#) study highlights the dangers of investments due to uncertainty, news, rumours, and information speed. Investment behaviour is influenced by risk propensity, preference, and attitude, with investors using biases and heuristics to make investment decisions. Herding, where investors follow others due to a lack of trustworthy information, also contributes to this risk. [Rosyadah et al. \(2022\)](#) revealed that business entrepreneurs with higher financial literacy tend to invest more in fixed assets and long-term working capital, thereby boosting enterprise growth and success. Furthermore, according to [Adil et al. \(2021\)](#), a lack of financial literacy can result in significant differences between behavioural biases and investment choices.

Debt Management

[Mahmood et al. \(2020\)](#) emphasize the importance of debt management in finance, which involves controlling and minimizing debt levels and financing costs. It involves strategic decisions about debt issuance, instrument types, and repayment timings, which are crucial for a firm's financial performance and health. Research indicates that effective debt management leads to higher profitability, lower default risk, and higher stock returns in firms, as suggested by [Aretz et al. \(2018\)](#), [Zeitun and Tian \(2007\)](#) and [Atif and Ali \(2021\)](#). Excessive debt levels can lead to financial distress and poor performance. Debt management is crucial, as lower interest rates can reduce the cost of capital, improving profitability and financial performance for firms. According to [Martin et al. \(2021\)](#), financially literate individuals are less likely to have debt from their credit.

Financial Literacy of Women Entrepreneurs

Women entrepreneurs, as defined by [D \(2020\)](#), refer to those women who innovate, initiate, organize businesses, and combine production factors to operate the company to make a profit and deal with the uncertainties associated with the business. Thus, women entrepreneurs provide a platform for the development of the economy. According to [Malik et al. \(2021\)](#), women entrepreneurs who have defined goals not only possess the correct mindset while pursuing their entrepreneurial journey but also serve as role models for society. Financial well-being positively impacts overall well-being and quality of life and is closely linked to economic empowerment. This relates to the study of [Huang et al. \(2022\)](#), where female entrepreneurs' innovativeness positively impacts women's ability to recognize and develop opportunities as well as their psychological capital level.

The study of [Narli et al. \(2018\)](#) revealed that the low financial awareness and fatalistic business ideals of female entrepreneurs in Turkey need to be modified to support their entrepreneurship and financial literacy. Research conducted by [Sahu and Chetri \(2019\)](#) discovered that financial literacy is the capacity to make informed financial decisions. That way, financial education plays a vital role in the variability in the business performance of female micro-entrepreneurs, as stated by [Tumba et al. \(2022\)](#). Thus, it improves people's finances.

Moreover, most research on entrepreneurship in developing countries focuses on male entrepreneurs and little research on women entrepreneurs, as stated in the study of [Brush and](#)

Hisrich (1999) and Bird and Brush (2002). It is essential to bridge the gender gap in financial literacy as it empowers women to make informed financial decisions and take charge of their financial futures. Financial literacy equips women with the knowledge to manage money better, leading to better economic outcomes and increased stability.

Indicators utilized to assess financial literacy are categorized into two levels: basic financial literacy and advanced financial literacy, in accordance with the research conducted by Lusardi and Mitchell (2007) and van Rooij et al. (2011). In addition, respondents respond to four multiple-choice questions regarding fundamental financial concepts such as money illusion, compound interest, inflation, and the time value of money to assess their financial literacy.

Relationship of Financial Literacy and Financial Behavior

According to Andarsari and Ningtyas (2019), financial literacy significantly impacts wealth equity. Sound financial knowledge enables women to handle household finances more effectively, save more for retirement, and manage investments properly. On the other hand, less literate people are more likely to accrue debt, save less, and are more vulnerable to deception. Therefore, it is essential to determine how well women grasp fundamental economic concepts and how well their financial abilities perform. Even if someone does not run a business, they must possess a certain degree of financial literacy or comprehension to make daily decisions.

H1: There is a significant relationship between financial literacy and financial behaviour

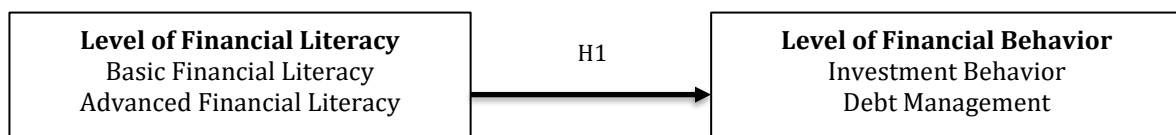


Figure 1. Research Framework

RESEARCH METHOD

Participants

The respondents were selected using a quota sampling technique. It consists exclusively of women entrepreneurs aged 18 to 50, actively engaged in entrepreneurship and administration of small businesses in Ilocos Norte, Philippines. The narrower age range allows for a more targeted investigation into unique experiences and possesses valuable insights related to financial literacy and financial behaviour. The sample size of 377 in the study was determined by Raosoft's sample size calculator based on the total population of 20,059 women entrepreneurs, according to DTI Ilocos Norte, providing reliable estimates with high confidence.

Research Instrument

This study utilized a descriptive correlation and employed a questionnaire as a research tool. The survey questionnaire consisted of three parts. The first part elicited the respondent's personal and business profile, including age, marital status, educational attainment, start-up capital, and monthly income. The second part provided the questions pertaining to women entrepreneurs' financial literacy, which consist of two parts: basic and advanced literacy, which was patterned or adapted in earlier studies conducted by Marriott et al. (2023) and Lusardi and Mitchell (2007). The next part pertains to the level of financial behaviour in terms of investment behaviour

and debt management. Lastly, those indicators pertain to strategies to be implemented. The survey was completed using respondents' smartphones, laptops, or computers. All measuring questions were assessed on a four-point Likert scale ranging from (1) for strongly disagree, (2) for disagree, (3) for agree, and (4) for highly agree except on the quiz questionnaire that answers "true", "do not know" and "false."

Data Analysis

Using a descriptive correlational approach, the proposed structural model on the relationship between financial literacy and the financial behaviour of women entrepreneurs.

Ethical Considerations

The researcher followed ethical considerations and obtained informed consent from participants. Possible risks were explained, and measures were taken to ensure comprehension. All respondents were treated equally, and data was kept confidential. Moreover, the study followed ethical considerations. Informed consent was used to obtain voluntary participation. Thus, the respondents were treated equally with respect and confidentiality was maintained.

FINDINGS AND DISCUSSION

Table 1. Profile of the Respondents

	Frequency (<i>n</i> = 377)	Percentage (%)
Age		
19 years old and below	33	8.75
20-30 years old	103	27.32
31-40 years old	135	35.81
41 years old and above	106	28.12
Educational Attainment		
Elementary level	16	4.24
High school level	94	24.93
College level	163	43.24
College Graduate	104	27.59
Marital Status		
Single	143	37.93
Married	210	55.70
Widowed	24	6.37
Start-up capital		
\$ 89 and below	181	48.01
\$ 90- \$ 178	124	32.89
\$ 179 - \$ 267	42	11.14
\$ 268 and above	30	7.96
Monthly income		
\$ 89 and below	122	32.36
\$ 90- \$ 178	112	29.71
\$ 179 - \$ 267	99	26.26
\$ 268 and above	44	11.67

Table 1 delineated the frequency of the respondents' profiles. As can be obtained from the table, most respondents were 31–40 years old, with a percentage of 35.81%, or 135 responses. Furthermore, the highest number of respondents have educational attainment at the college level, with 163 respondents, or 43.24%. Also, as to the respondents' marital status, most were married, with 210 responses, or 55.70%. Another highlight of the results was that most respondents have start-up capital and monthly income ranging from \$89 and below, with 181 responses (48.01%) and 122 responses (32.36%) consecutively.

Table 2. The Level of Financial Literacy of Women Entrepreneurs

Indicators	Mean	Descriptive Interpretation
A. Basic Financial Literacy		
1. The time value of money states that the value of money decreases over time.	2.56	True
2. The concept of the time value of money only applies to financial investments and loans, not everyday transactions.	1.80	Do not know
3. Suppose you have a friend that inherits Php 50,000 today and his siblings inherit Php 50,000 3 years from now. Thus, your friend is richer than your sibling.	1.78	Don't know
4. If you want to earn more compound interest, you should invest more money.	2.70	True
5. Inflation is the rate at which the prices of goods and services increase over time.	2.51	True
6. Inflation can lead to a decrease in the purchasing power of money.	2.30	Do not know
7. Imagine the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, you would be able to buy with the money in this account less than today.	2.14	Do not know
<i>Composite mean</i>	<i>2.25</i>	<i>Do not know</i>
B. Advanced Financial Literacy		
8. The primary function of the stock market is to facilitate the buying and selling of stocks.	2.76	True
9. The primary goal of a mutual fund is capital appreciation.	2.56	True
10. The cost of borrowing money is called the interest rate.	2.64	True
11. To time the market to maximize profits is one of the purposes of diversification in stock market investing.	2.47	True
<i>Composite mean</i>	<i>2.61</i>	<i>True</i>
Overall Mean	2.43	True

Note: 1.00 – 1.66 = False; 1.67 – 2.33 = Don't know; 2.34 – 3 = True

Table 2 shows the level of financial literacy of women entrepreneurs in terms of basic and

advanced financial literacy. As shown in the table, the financial literacy indicators obtained the descriptive interpretation of "true" (mean =2.43), which means that most respondents believed that the indicators pertaining to financial literacy were relatively true. It also demonstrated that overall indicators under basic financial literacy gleaned the descriptive interpretation of "do not know" (x= 2.25), which means that most of the respondents do not have confidence in their answers about basic financial literacy. However, advanced financial literacy derived an interpretation of "true" (x = 2.61), which denoted that most respondents believed all indicators were true. Women entrepreneurs confidently answered "true" about the stock market, stating that its primary function is to facilitate the buying and selling of stocks (x = 2.76).

Table 3. The level of Financial Behavior of Women Entrepreneurs

Indicators	Mean	Descriptive Interpretation
A. Investment Behavior		
1. A high level of confidence is evident in my investment decisions.	3.38	Strongly agree
2. I prefer investing rather than spending.	3.34	Strongly agree
3. I prefer long-term investments over short investments.	3.11	Agree
4. I feel comfortable taking risks with my investments.	3.01	Agree
5. I regularly review my investment portfolio to ensure that it is aligned with my financial goals.	3.33	Strongly agree
<i>Composite mean</i>	3.24	Agree
B. Debt Management		
1. My debt management skills enable me to finance the business.	3.42	Strongly agree
2. I can pay off my debt, including its interest, on or before the maturity date.	3.37	Strongly agree
3. I am confident in my ability to manage my debt effectively.	3.27	Strongly agree
4. I regularly monitor my debt levels to ensure they are under control.	3.24	Agree
5. I have a clear understanding of the interest rates and fees associated with my debts.	3.38	Strongly agree
<i>Composite mean</i>	3.34	Strongly agree
Overall Mean	3.29	Strongly agree

Note: 1:00 - 1.75 = Strongly Disagree; 1.76 - 2.50 =Disagree; 2.51 - 3.25 = Agree;3.26 - 4.00 = Strongly Agree

Table 3 shows that financial literacy indicators had an overall mean of 3.29 with a descriptive interpretation of "strongly agree." Regarding investment behaviour, most of the respondents strongly agreed that a high level of confidence is evident in their investment decision(mean=3.38) and the least agreed that they feel comfortable taking risks with their investments(mean=3.01). Overall, it obtained a composite mean of 3.24 with a descriptive interpretation of "agree." Meanwhile, in terms of debt management, most respondents strongly agreed that their debt management skills enable them to finance the business(mean=3.42), and least of the respondents agreed that they regularly monitor their debt levels to ensure they are under control (mean=3.24). Thus, it has a composite mean of 3.34 with an interpretation of "strongly agree."

Table 4. Relationship between the Financial Literacy and Financial Behavior

Financial Literacy		Financial behaviour	
		Investment Behavior	Debt Management
Basic Financial Literacy	Pearson Correlation	.302	.299
	Sig. (2 tailed)	.000	.000
	N	377	377
Advanced Financial Literacy	Pearson Correlation	.244	.327
	Sig. (2 tailed)	.000	.000
	N	377	377

Note: Correlation is significant at the 0.05 level

Table 4 shows the relationship between financial literacy and the financial behaviour of women entrepreneurs. It can be observed from the table that the Pearson correlation coefficient for financial literacy and financial behaviour had a statistically significant linear relationship. The direction of the relationship was positively correlated to the fact that these variables move in the same direction. This positive correlation between financial literacy and financial behaviour among women entrepreneurs implies that as their financial literacy increases, their financial behaviour also tends to improve. In other words, women with higher financial knowledge and understanding are more likely to make informed financial decisions, manage their debt efficiently and effectively, and engage in prudent investment practices. The magnitude or strength of the association has a weak correlation ($.20 < |r| < .39$). Hence, financial literacy influences financial behaviour.

Discussion

The result revealed that financial literacy has a significant relationship with the economic behaviour of women entrepreneurs, as they have adequate financial literacy and are excellent in financial behaviour. [Susanti and Widiastuti's \(2021\)](#) study found that financial literacy does not affect financial behaviour, contradicting the idea that it does. Entrepreneurial women possessing financial literacy skills can effectively make wise decisions and adopt appropriate actions to overcome financial challenges. This relates to the study of [Hasibuan et al. \(2018\)](#), which concluded that possessing good financial literacy and positive financial behaviour can aid individuals in making informed financial decisions. Furthermore, displaying good economic behaviour can lead to fairness, which can contribute to achieving financial satisfaction. Also, the results of the study by [Andarsari and Ningtyas \(2019\)](#) are similar, showing that financial literacy positively influences economic behaviour. Sound financial knowledge directly impacts one's financial behaviour, leading to positive outcomes.

Referring to the definition of financial literacy by [Andarsari and Ningtyas \(2019\)](#), financial literacy is not limited to mere knowledge but involves self-confidence to do something. The study found that women entrepreneurs have "good enough" financial literacy, as they answered "I Do not Know" in most of the indicators given in basic financial literacy. This is consistent with [Andarsari and Ningtyas \(2019\)](#), whose study results indicate that women score lower than men; they answered "I Do not Know" in most indicators. Nonetheless, in advanced financial literacy, women entrepreneurs answered correctly that they are adequately literate and confident. Moreover, advanced financial literacy is closely higher than basic financial literacy, possibly because some questions about basic financial literacy are calculations. Therefore, they need help to answer correctly. Overall, the result of the study is in line with the study of [Andarsari and Ningtyas \(2019\)](#),

who state that financial confidence is a critical component of financial literacy. In contrast, the research result indicates that individuals with high knowledge and self-confidence are more likely to make sound financial decisions.

Understanding the time value of money is integral to basic financial literacy when making financial decisions. According to the study's findings, they must be aware that their money is more valuable today than it will be due to its appreciation over time. The time value of money states that the value of money decreases over time, and the concept of the time value of money only applies to financial investments and loans, not everyday transactions. However, they comprehended the idea of time's worth of money but needed to recognize its consequences in daily transactions and were unsure about calculations. This contradicts the findings of [Atkinson and Messy \(2012\)](#) and [Agarwalla et al. \(2013\)](#), who found that women entrepreneurs answered correctly compared to men.

Furthermore, interest-related knowledge, such as compound interest, will aid female entrepreneurs. As the results demonstrate, the majority of respondents correctly answered the question. It is true that if you want to earn more compound interest, you should invest more money. As a result, women entrepreneurs understand compound interest and its significance. Inflation is another measure of basic financial knowledge. It is correctly stated that the rate at which the prices of goods and services increase over time. It also can lead to a decrease in the purchasing power of money. According to the study's findings, most respondents needed to learn the answer to the question of inflation. Still, they did know that high inflation indicated the cost of living was rising, indicating a basic understanding of economic concepts. It seems that the majority of respondents were more likely to know the definition of inflation than the computation of specific inflation and, hence, do not realize the impact on their spending power, as this refers to the findings of [Atkinson and Messy \(2012\)](#) and [Agarwalla et al.'s \(2013\)](#) studies that the financial literacy of women entrepreneurs tends to be lower than men.

According to [Lusardi and Mitchell \(2007\)](#) and [van Rooij et al. \(2011\)](#), advanced financial literacy includes compound interest, inflation, the time value of money, and money illusion. According to the study results, most respondents replied adequately, except for one indication, risk diversification, which was mostly answered as true. However, the correct answer is false because "timing the market to maximize profits" is not one of the purposes of risk diversification. As a result, most female entrepreneurs understand the stock market, mutual funds, and interest rates better than risk diversification. This contrasts with the study of [Arrondel \(2021\)](#), where risk diversification questions were scored correctly. Risk diversification is believed to be more concerned with spreading investment to a highly diversified mutual fund than timing the market to maximize the return.

Furthermore, financial behaviour is one of the concepts that women entrepreneurs need to apply to manage their finances in a disciplined manner. Good economic behaviour is an essential requirement for all people, including entrepreneurs. The result suggests that respondents are doing well with their investments and loans. As a result, whether a person's financial behaviour is wise or not is closely tied to their mastery of economic principles. When these individuals learn and understand, they will utilize that knowledge to decide on the activity they are about to undertake ([Andarsari & Ningtyas, 2019](#)).

Based on the results of this study, it was revealed that the investment behaviour of women entrepreneurs is good. Still, they only agreed to invest for the long term rather than the short term, and they are only partially comfortable risking their investments. This implies that they need more confidence in their investment. However, they generally have excellent investment behaviour as they agree to have faith in their investing decisions; they would invest instead of spend and frequently visit their investment portfolio. The study of [Samudra and Burghate \(2012\)](#) was in line

with the result of this study as it revealed that they have good investment behaviour and that most of the respondents invest and save by bank deposit as the most preferred investment option. This results in confidence as they make investment decisions on their own.

CONCLUSIONS

According to the study's findings, there are several key conclusions and implications. This implies that they have a solid understanding of various financial concepts, such as the time value of money, compound interest, inflation rate, stock market, mutual funds, interest rates, and diversification. This knowledge contributes to their confidence in making informed financial decisions. Moreover, the study highlights that women entrepreneurs exhibit a positively high level of financial behaviour. This indicates that they effectively manage their investments and loans, demonstrating proficiency in implementing sound financial strategies.

One critical insight from the research is the significant impact of financial literacy on the financial behaviour of women entrepreneurs. The study establishes a correlation between higher financial literacy levels and improved financial behaviour. In other words, the more knowledgeable these entrepreneurs are in financial matters, the better they tend to perform in managing their financial affairs, which includes making sound investment choices and handling loans effectively. This underscores the importance of financial education and empowerment for women entrepreneurs in enhancing their overall financial well-being. This breaks the barriers pertaining to women entrepreneurs in the business world.

LIMITATION & FURTHER RESEARCH

The study's primary aim is to help women entrepreneurs increase awareness by promoting women's entrepreneurship through government authorities, which will help them improve their financial decision-making. The government should change its funding allocation method to support women entrepreneurs and design programs specifically for women-related enterprises. Debt management and investment behaviour programs could also be established. Women entrepreneurs should be provided with adequate financial education and training in areas such as basic and advanced financial literacy. The study only focused on women entrepreneurs from a specific place in Ilocos Norte, Philippines, and future research could examine the impact of other behavioural factors on women entrepreneurs. A comparative study between male and female entrepreneurs could also be conducted. Researchers could survey women from more developed economies to determine the impact of decision-making on their entrepreneurship.

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