

## **ASSESSMENT OF THE RELATIONSHIP BETWEEN FINANCIAL LITERACY AND QUALITY OF LIFE AMONG BODABODA RIDERS IN NAIROBI CITY, KENYA**

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**Abstract:** *In today's insecure and turbulent times, financial literacy is critical in all sectors including among bodaboda operators. Many bodaboda operators are employed, this makes it difficult for them to save thus hindering extremely their ability to empower themselves financially. The objective of the study is to determine the relationship between financial literacy and quality of life among bodaboda riders in Nairobi city. The study was based on four theories, namely the hierarchy of needs theory, the entrepreneurial competencies theory, the theory of planned behaviour and the self-determination theory. The study was conducted using a descriptive research design collecting data from 385 bodaboda operators from Runda bodaboda SACCO and Kibera Bodaboda SACCO. Structured questionnaires were administered and descriptive analysis and inferential analysis was conducted. The study indicated that financial knowledge is important in improving their quality of life. The study found that financial behaviour as measured by savings and investment positively impact on the quality of life of bodaboda operators. Financial attitude had a positive and significant but weak relationship with the quality of life among bodaboda operators in Nairobi city, Kenya. The study will benefit the bodaboda riders by raising awareness on the importance of financial literacy.*

**Keywords:** *Financial Behaviour, Financial Knowledge, Financial Literacy, Quality of Life, Bodaboda*

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### **Introduction**

According to the United Nations, (2021) there are approximately 7.7 billion people in this world. However, the quality of life afforded to these people varies significantly, often depending upon country, town, suburb or city. The vast majority of the global population lives in undeveloped or developing economies, with only a few living in truly advanced countries (US, News, 2021). The quality of life for most people in developing economies is not even close to adequate, with lack of infrastructure being a major reason behind this. Developed infrastructure is a direct link to the quality of life enjoyed by the people. In 2021 a survey was conducted to rank the best countries in terms of QoL by the Wharton School of the University of Pennsylvania and the BAV group. The survey collected data from over 17,000 citizens in four regions, 78 countries using 76 metrics. The sub-ranking of QoL was grounded on weighted average scores from 9 attributed of countries that are associated with a nation's QoL, namely; a good job market, safe, affordability, family friendly, stable and developed education system, equality in terms of income, stable economically, political stability, and a developed public health system as indicated by Moller (2020).

Canada was ranked No 1 in offering the best QoL. Canada was ranked No 1 since it has a good job market, is stable politically and has a developed and stable education system. Canada was immediately followed by Denmark, Sweden and Norway. Finland, Germany, Australia and New Zealand, were also ranked among the top 10 countries with reference to QoL. Seven European countries were also ranked top 10 (US News, 2021).

Countries that were ranked bottom in providing QoL perform poorly in areas such as economic opportunity and personal safety. Uzbekistan, Lebanon and Iraq were ranked bottom with reference to QoL. They were followed by Serbia, El Salvador, and Azerbaijan (Moller, 2020). The Dominica Republic though ranked position 53 recorded the poorest education system while Colombia which was position 60 came last in terms of safety (US, News, 2021). In position 20 was the United States of America, which was position 4 with reference to its job market, however it ranked position 51 with reference to affordability.

Kenya was ranked 69 in the QoL index (Wharton School of the University of Pennsylvania and the BAV group, 2021). The poor ranking was attributed to the political tensions, high level of unemployment and rising cost of living in the country. The economy and population of Kenya is growing at a rapid pace. The fertility rate in the country is some of the highest across the globe with an average of approximately 5 children for each woman. Additionally, the rate of unemployment is high and the infrastructure of the country is still poor. Therefore, the quality of life in Kenya is lower as compared to other developed nations.

QoL is a multi-dimensional concept that described the overall satisfaction of an individual's life and wellbeing as explained by Thuku (2016). QoL can be measured in terms of physical health, social networks, psychological well-being and economic prosperity. In general, the QoL is the extent to which an individual identifies their needs and is able to meet those needs effectively. According to Bowling (2014) QoL comprises of how individuals perceive his/her life in terms of goodness. QoL is measured using different spectrums that value life being the material components. Moons et al (2006) found that there are three measures that can be used to measure QoL namely; satisfaction, happiness (Sirji, 2012) and achievements of set objectives.

Sirgy (2012) argues that the QoL is a personal interpretation of subjective wellbeing. This implies that QoL is the measure of how an individual thinks his/her life is good or not. A high QoL is accompanied by personal, social and economic advantages. A QoL is associated with better health, better economic independence, and a good workforce and working environment. Improving the QoL brings about increased happiness and life satisfaction. Graham (2015) observed that the QoL started to gain prominence in the 1960s. At the time, the QoL was measured using macro variables only such as the GDP. However, a shift was experienced when the macro variables were unable to measure human development and welfare. Today, different approaches have been implemented to measure quality of life among which include happiness, achievement of goals and objectives and life satisfaction (Sirgy, 2012).

Notably, in many ways, the QoL, with all its components, is limited to the ability of an individual to access financial resources. Therefore, economic conditions and especially the financial and material conditions of life, though do not reflect the QoL in all of its components provide a guideline and framework in measuring the potential of individuals, households and society at large (Fabris & Luburic, 2018). The quality of life in the current economic status highly depends on how individuals access financial wealth and how they manage the finances.

Financial literacy is essential to every human being, who are increasingly living in a more complex and turbulent economic environment. More recently, many countries have been taking significant measures to determine the existing level of financial knowledge of their citizens and to create national financial literacy programs (Fabris, & Luburić, 2016). An inadequate level of financial literacy can have serious consequences not only for individuals and families and their quality of life, but also on the economic stability of the entire society. Fabris and Luburic (2018) observed that the goal of financial literacy in the QoL determines whether an individual will success in society.

Financial literacy is the ability of people to process financial information or data and make appropriate and informed financial decisions (Lusardi & Mitchell, 2014). Financial literacy is a concern across all nations. This is because, financial literacy influences the attitude of people towards money and leads to behaviour change with references to financial decisions (Fluellen, 2013). Moreover, financial literacy not only affects financial decisions but all an individual's QoL.

The Bodaboda industry has been growing recently. Across the world the number of motorcycles used for transportation has increased over the last decade. In nations in Latin America, the sub-Saharan Africa and Asia, the motorcycles have become a preferred mode of transportation as it is able to maneuver busy streets and can travel on poor roads and presence of ready demand (Mugwe, 2018). Indeed, commentators have cited other advantages of motorcycle transportation Bodaboda as being quick, can operate on narrow paths, it is inexpensive and can be used during the day and night. Similarly, more bodaboda riders have emerged in Kenya both in the urban and rural areas. In Nairobi city, for instance, the number of bodaboda riders has increased due to the high demand of the bodaboda services (Onsomu, 2017). Although the growth in the bodaboda industry has facilitated in job creation, the riders are not financially literate as evidenced by their poor quality of life.

In Kenya, the growth of the bodaboda industry started in 2008 when the government scrapped off the import duty for motorcycles (Atugi, & Chrispen, 2018). Bodabodas are preferred in urban areas since they offer specific advantages such as they can easily maneuver the busy streets in urban areas, they respond faster as compared to busses. More to offering transportation, the bodaboda sector has created employment to many young people in Kenya.

Through Bodaboda enterprise many Kenyans are able to contribute to the economic and social components of the country. Nevertheless, majority of the bodaboda riders are youths who have little education (Nthiri, 2018). Due to the lack of entrepreneurial background and their education background many of the bodaboda operators fall victim to exploitation since these employment opportunities were introduced when the government did not have formulated policies to protect such employments. Many of the bodaboda operators are not compensated competitively since they are not empowered adequately to sustainably meet their obligations (Manyara, 2013). The quality of life among majority of bodaboda riders is poor granted that some are employees. Given that the bodaboda industry has grown, competition is stiff. Hence, for the bodaboda riders to improve their quality of life, they have to possess financial literacy. Although bodaboda riders are increasing in numbers, little focus has been made their quality of life as influenced by financial literacy, a gap that the current study aims to address.

### **Statement of the Problem**

Financial literacy is an important determinant of the QoL of an individual (Vosloo, 2014). Financial literacy is correlated with other observable characteristics, such as income, that might influence psychological well-being. Secondly, people with higher financial literacy have better income management, and thus end up with higher disposable income when holding other characteristics constant (Lubis, 2018). It is even claimed that this impact is more significant than changes in a household's income.

In today's insecure and turbulent times, lack of financial literacy has resulted in bodaboda operators lacking a high quality of life despite the fact that they earn a living. The sector has become saturated with more young people joining the industry due to the little capital required to become a bodaboda operator. Majority of these young bodaboda operators are employed, this makes it difficult for them to save thus hindering extremely their ability to empower themselves financially. This leaves little money for bodaboda riders to invest save or even

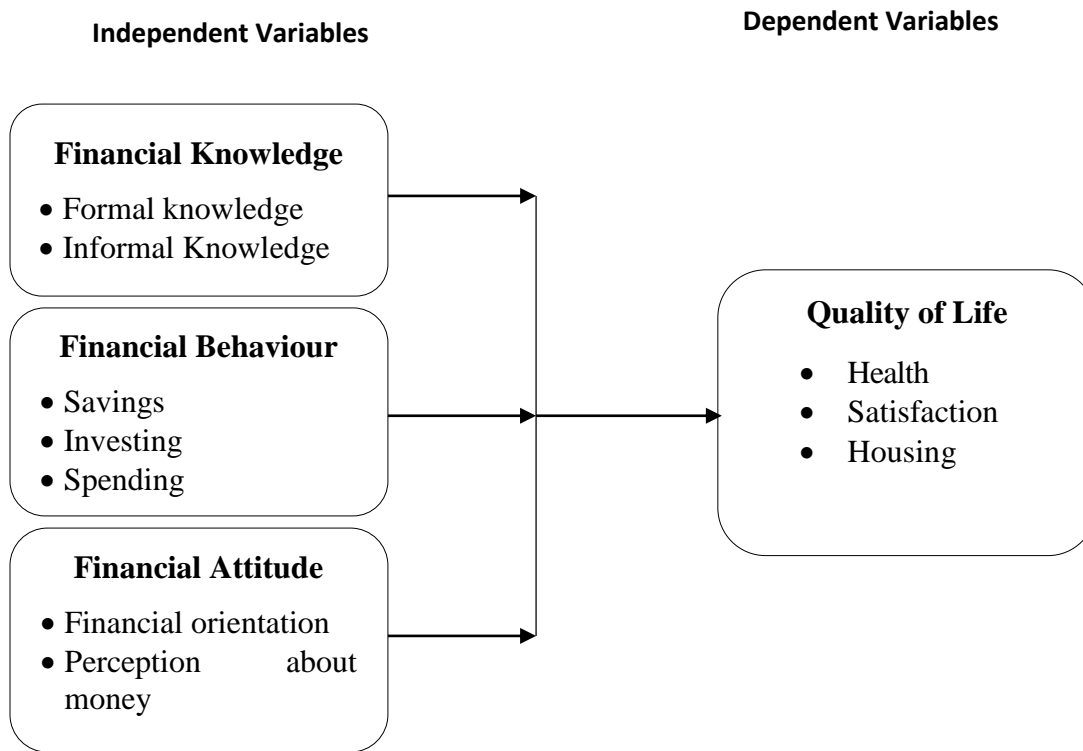
improve their quality of life. As more young people join the industry as bodaboda riders due to the high rate of unemployment of youths that is registered at 65% (Nthiiri, 2018), education on how to manage the finances becomes essential.

Previous studies mostly focused on the link between financial literacy as one element of financial capability (van Rooij, Lusardi, & Alessie, 2012). Nevertheless, they focused only on one element of financial literacy and often failed to capture the complexity of financial literacy as a whole that can influence other spectrums of well-being. An example, Campara, Vieira, and Potrich (2017) in Brazil found that overall life satisfaction had a direct relationship with financial wellbeing. The results indicated that the debt level by individuals influenced their quality of life negatively. The study however did not explain in depth the concept of financial literacy, hence presenting a research gap. Vosloo (2014) indicated that financial wellbeing is influenced by financial efficacy. The study failed to show the direct impact of financial literacy on quality of life.

Lusardi and Mitrchell (2014) found the existence of evidence that financial education enhances financial behaviour and wellbeing of households and individuals. However, skepticism still lingers as to whether financial literacy can improve QoL. This skepticism has gained traction among scholars and policy makers alike. Moreover, many of the studies conducted on the relationship between financial literacy and quality of life has focused on developed nations and has not targeted bodaboda riders. Therefore, this study targets a developing nation and in particular Kenya. The study answered the research question: what is the relationship between financial literacy and quality of life among bodaboda riders in Nairobi city?

### **Conceptual Framework**

A conceptual framework in a study portrays how variables in the study flow and the measures that are to be used to assess the impacts of the variables in the study. Financial knowledge, financial behaviour, and financial attitude made up the independent variables. The dependent variable was quality of life.



**Figure 1: Conceptual Framework**

Source: Researcher, 2021

Figure 1 indicates that financial knowledge, financial behaviour and financial attitude have direct influences on the quality of life.

### Methodology

The study was conducted using a descriptive research design to determine how financial literacy influences quality of life among bodaboda operators in Nairobi City. Descriptive design as espoused by Mugenda and Mugenda (2008) helps a researcher to describe the variables characteristics due to its suitability in gathering data and answering the questions of the study. The design was fit for the study since it is efficient with regards to cost and time while ensuring that adequate data is yielded from the study population.

The target population is the total items or individuals from whom data is to be collected from (Cooper & Schindler, 2011). The population was the bodaboda operators in Nairobi City. The target population of the study was 385 bodaboda operators (Bodaboda Association of Kenya, 2020) from two SACCOs namely, Runda bodaboda SACCO and Kibera Bodaboda SACCO.

This study used simple random sampling method which is a probability method. It further helped in the process of identifying the respondents for data collection. The sample size was established and the procedure is explained as follows. The sample size therefore comprises of bodaboda operators from two SACCOs namely, Runda bodaboda SACCO and Kibera Bodaboda SACCO.

The following formula was used to determine the sample size of the study (Mugenda & Mugenda, 2003).

$$n = \frac{N}{1 + N(e)^2}$$

Where,

n is the sample size for the study

N is the study population

e is the level of precision

N=385

e=5%

Therefore, n was = 385

$$\frac{385}{1+385(0.05)^2} = 196$$

For the purpose of this study, a sample size of 196 was used.

Primary data was gathered by administering semi-structured questionnaires. Both quantitative and qualitative data were collected by administering the semi-structured questionnaires. A Likert scale was employed to gather quantitative data from the close ended questions. The Likert scales ranged from 1 (strongly disagree)-5 (strongly agree).

Tables and graphs were used to exhibit the findings.

A regression model was used to show the relationship between the study variables. The regression model that was used is illustrated below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Y= Quality of Life

$\beta_0$  = Constant

$X_1$  = Financial knowledge

$X_2$  = Financial Behaviour

$X_3$  = Financial Attitude

$\beta_1$ -  $\beta_3$  = The regression co-efficient.

$\epsilon$  is the random error term that accounts for other variables not included in the model that influence quality of life.

ANOVA test measured the significance level of variance using a one-Way ANOVA to assess whether there exists a significant variation between the study variables.

**Results**

**Descriptive Statistics**

**Financial Knowledge and Quality of Life**

The first objective of this study sought to determine the relationship between financial knowledge and the quality of life among bodaboda riders in Nairobi city. Table 1 presents the results to questions relating to financial knowledge of bodaboda operators.

*Table 1: Financial Knowledge of the Respondents*

<b>Financial Knowledge</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Financial Knowledge</b>		
Yes	87	52.73
No	78	47.27
<b>Total</b>	<b>165</b>	<b>100.00</b>
<b>Type of Financial Knowledge</b>		
Formal	29	33.33
Informal	58	66.67
<b>Total</b>	<b>87</b>	<b>100.00</b>
<b>Intention to get any Financial Knowledge</b>		
Yes	36	46.15
No	42	53.85
<b>Total</b>	<b>78</b>	<b>100.00</b>

Source: Primary Data (2022)

The findings indicated that financial knowledge is lacking among the bodaboda operators in Nairobi city. The findings agreed with results by Amoah (2016) that financial literacy among individuals and households within the African American community was limited. Kenya is an African country; this raises concern over the accessibility of financial knowledge in the learning institutions as well as in the working environment. From the findings, the form of financial knowledge possessed by a majority of the bodaboda operators was informal. Therefore, the decisions made by the bodaboda operators have been aligned to the informal financial knowledge they have. The findings concur with results by Fan and Chatterjee (2019) who established that financial knowledge contributes to financial decisions. Therefore, individual make financial decisions based on the financial knowledge they possess, in this case, the bodaboda operators in Nairobi city are likely to make financial decisions based on the informal financial knowledge they obtained from the people around them. Johan, Rowlingson, and Appleyard (2021) found that young people make financial decisions based on their level of education whether formal or informal.

Using a Likert scale, the respondents were asked to show their level of agreement or disagreement to statements relation to financial knowledge. The results are presented on Table 2

Table 2: Financial Knowledge and Quality of Life

Statement	Mean	Std. Deviation
Financial literacy classes would improve my ability to manage finances	4.40	0.47
I attend at least one investment seminar every year	2.35	0.92
I obtained my financial knowledge from watching my parents and friends manage money	3.35	0.67
I read books on financial management	2.87	0.59
I took up classes on finances while in school	2.02	0.61
Financial knowledge is important among bodaboda operators	4.04	0.75
I usually share new information on finances with other bodaboda operators	3.62	0.83
<b>Average</b>	<b>3.23</b>	

Source: Primary Data (2022)

The findings were aligned with outcomes by Harnisch (2010) that financial literacy positively influences the wellbeing and QoL of individuals and the society by large. Further, Fatoki and Oni (2014) argued that financial literacy in the form of education influenced the decision making of the individuals, therefore impacting their quality of life. Through financial knowledge, the results indicated that the bodaboda operators can improve their lives by making the correct savings and investment decisions.

From a theoretical perspective, the findings concur with the assumptions of the entrepreneurial competency theory by Bird (1995) that competencies of entrepreneurs predict the performance of a business to a large extent that culminates into entrepreneurial success as espoused by Njiru and Njeru (2020). Based on this assumption, the findings of the study indicated that by acquiring financial knowledge, bodaboda operators stand in a better situation to improve their business and their lives in general. Moreover, as indicated by Barazandeh, Parvizian, Alizadeh, and Khosravi, (2015) entrepreneurial competencies can be obtained through knowledge acquisition. In this case, bodaboda operators can acquire entrepreneurial competencies such as financial literacy that can help improve their businesses and their quality of life all together.

### Financial Behaviour and Quality of Life

The second objective of this study sought to examine the influence of financial behaviour on the quality of life among bodaboda riders in Nairobi city. The bodaboda operators were asked questions relating to their financial behaviour, the findings are presented on Table 3 below.



Table 3: Financial Behaviour of the Respondents

<b>Financial Knowledge</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Savings Plan</b>		
Yes	93	56.36
No	72	43.64
<b>Total</b>	<b>165</b>	<b>100.00</b>
<b>Percentage of Income Saved Monthly</b>		
1 – 10%	49	52.69
11 – 20%	17	18.28
21-30%	16	17.20
31-40%	8	8.60
Above 41%	3	3.23
<b>Total</b>	<b>93</b>	<b>100.00</b>
<b>Period the Savings can Sustain the Respondents</b>		
0-3 months	73	78.49
4-6 months	15	16.13
7-12 months	5	5.38
Over 1 year	-	-
<b>Total</b>	<b>93</b>	<b>100.00</b>

Source: Primary Data (2022)

Using a Likert scale, the respondents were asked to indicate their level of agreement or disagreement with regards to statement about their financial behaviour. The results are presented on Table 4 below

Table 4: Financial Behaviour and Quality of Life

<b>Statement</b>	<b>Mean</b>	<b>Std. Deviation</b>
I earn a stable income to save adequately monthly	3.24	0.73
I save every month	3.01	0.61
The high cost of living limits my saving capability	4.43	0.59
I spend most of my money on entertainment	3.87	0.64
I save for the future of my family	3.27	0.75

I do not save since I have to feed my family	4.13	0.47
My extended family looks up to me financially, hindering my savings capability	4.03	0.53
I have an investment portfolio	2.87	0.92
I invest in the stock markets	2.35	0.84
I have a stock broker who directs me on investment opportunities	2.54	0.96
I have purchased stocks in the last five years	2.39	0.85
I have borrowed a loan in the last five years	4.08	0.56
<b>Average</b>	<b>3.35</b>	

Source: Primary Data (2022)

The study found that the financial behaviour of the bodaboda operators was correlated with their level of knowledge. The findings concurred with Shaari et al. (2013) who established that the spending habits among the students in Malaysia was highly dependent on their financial knowledge. Notably, from earlier findings, it was indicated that the bodaboda operators did not have adequate financial knowledge thus negatively influences their financial behaviour. Kumari (2020) acknowledged that the knowledge when individuals have low financial knowledge, they are unlikely to engage in healthy financial practices such as saving and investing. With reference to this study, the findings revealed that the engagement of the bodaboda operators in savings and investments was low. The findings concurred with Sekita (2011) who found that only two of the households surveyed participated in stocks as most of the households preferred to deposit their money in banks or to take insurance covers as they choice of investments. The study indicated that the different behaviours by the respondents either to invest or save had different effects on their quality-of-life following retirement.

Elliot and Beverly (2011) found that savings lead to increased business investments. The authors argued that savings improve the quality of life of individuals since it makes it possible for them to venture into business and to go for higher learning. Notably, the findings revealed that while the bodaboda operators understand that financial behaviour has a direct impact on the quality of life, they still spent a substantial amount of their income on entertainment. This leaves the bodaboda operators in debt, hence negatively influencing their quality of life. The findings agrees with Jiang and Dunn (2013) who found that poor financial behaviour results in debt.

Following Self Determination theory, the study agrees with the tenets of the model that financial knowledge ought to rekindle and promote the interest and confidence of individuals required to automatically maximize on the opportunities. Notably, the study acknowledges that the notion that financial knowledge results in increased knowledge does not imply an immediate change in financial behaviour. This is evidenced in the findings, where although the bodaboda operators have informal financial knowledge, they do not engage in investment practiced. Hogarth (2006) argued that for financial knowledge to lead to behaviour change a combination of information, building of skills and motivation is required.

Moreover, the study also agrees with the assumption of Maslow's (1943) theory of hierarchy of needs that individual satisfaction is attained after meeting all the hierarchy needs. This implies that bodaboda operators need to assess the level in which their businesses have affected their social, economic, environmental and cultural empowerment as espoused by Too, (2013). The bodaboda operators need to look at their business

beyond the context of providing basic needs and aim for continuous improvement as suggested by the theory of hierarchy of needs by Maslow. The bodaboda operators can attain this by engaging in financial behaviour such as savings and making investments.

**Financial Attitude and Quality of Life**

The third objective of this study sought to analyze the influence of financial attitude on the quality of life among bodaboda riders in Nairobi city. Table 5 shows the descriptive statistics obtained on all of the responses.

*Table 5: Financial Attitude and Quality of Life*

<b>Statement</b>	<b>Mean</b>	<b>Std. Deviation</b>
I believe money should be spent once acquired	3.74	0.70
I don't believe in having an accountant/financial manager	3.96	0.69
I appreciate reading materials on financial investments	3.24	0.51
I often consult with financial institutions when making financial decisions	3.65	0.53
<b>Average</b>	<b>3.65</b>	

Source: Primary Data (2022)

The study found that financial attitude has a positive but weak relationship with the quality of life of bodaboda operators. The findings concur with results by Mugo (2016) that financial attitude positively impacts on quality of life. The findings contradicted with results by Dare et al (2020) that financial orientation among the respondents had no impact on their level of satisfaction and quality of life.

The findings revealed that the financial attitude of the bodaboda operators was negative. This may be attributed to the fact that the bodaboda operators indicated that they were not satisfied with the income they earn from their job. This agreed with findings by Salim (2012) who established that improving the middle-class is challenging since only about 12% of the population are in a position where their either save or invest their money. This is an implication that in middle income countries such as Kenya, majority of the people live “hand to mouth” as established in the findings. This may explain the poor attitude exhibited by the bodaboda operators towards finances. Moreover, Rasyid (2012) argued that the more the income the more the need for financial management to ensure that resources are allocated effectively and optimally. Therefore, the financial orientation of different people influences their capability of managing finances which in turn influence their financial decisions and quality of life.

The findings also concur with Ajzen (1885) theory of planned behaviour which posits that attitude to perform or act an expected behaviour is influenced by an individual's intention. The findings argued that the attitude by the bodaboda operators towards finances impacts their ability to make financial decisions. Therefore, bodaboda operators should work towards developing a positive attitude toward finances to make appropriate and sustainable financial decisions.

### Quality of Life

The dependent variable of the study was quality of life. The bodaboda operators were presented with statements on quality of life, of which they were required to rate their level of agreement or disagreement based on a Likert scale. The findings are presented on Table 6 below.

Table 6: *Quality of Life*

Statement	Mean	Std. Deviation
I am happy with my financial status	3.21	0.55
I reside in my own house	2.03	0.72
I live in a rental house	4.76	0.42
I have a financial medical plan (medical cover)	2.87	0.84
I am able to cater for my basic needs and that of my family without struggling	3.27	0.49
I am satisfied with my life in terms of finances	2.64	0.88
I am fulfilled with the income I earn from my job	2.53	0.91
<b>Average</b>	<b>3.04</b>	

Source: Primary Data (2022)

The findings show that the quality of life among the bodaboda operators is low. This is evidenced by the fact that majority of the respondents live in rental houses, hence part of their income has to be directed to paying rent. Moreover, from the findings, it was revealed that not all of the bodaboda operators have a medical cover. Given the nature of their work, it is potent that all the bodaboda operators have a medical cover in case of any accidents or diseases such as the flu. Moreover, the findings show that the bodaboda operators are not satisfied with the income they earn. This may explain the low quality of life evidenced by the bodaboda operators. Moreover, with the influx of bodaboda operators as a result of high unemployment rates in Kenya, it is likely that the quality of life of bodaboda operators is going to lower if they do not adopt better financial behaviours such as saving and investing the money a large porting of the money earned.

### Regression Analysis

A multiple regression analysis was conducted; the regression analysis measured the relationship existing between the measures of financial literacy and quality of life of bodaboda operators in Nairobi City. The statistical package for social sciences version 25.0 was adopted to compute the data gathered. The regression analysis determined the coefficients of the variables. This implies that the coefficients were determined to explain the extent to which any change in the dependent variable (quality of life) is explained by changes in the independent variables (financial knowledge, financial behaviour and financial attitude).

The model summary is presented in Table 7.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.8358	0.6986	0.6929	0.4582

Source: Primary Data (2022)

Table 7 shows that the value of  $R^2$  was 0.698, implying that the independent effect of financial literacy accounted for 69.8% of the variation in the quality of life of bodaboda operators in Nairobi City, Kenya. This is an implication that the other factors that were not studied in this research accounted for 30.2% of the changes in quality of life. Therefore, the study recommends that further research should be conducted to evaluate other activities of financial literacy (30.2%) that lead to changes in the quality of life of bodaboda operators in Nairobi City, Kenya. The next part of the regression analysis involved computing the ANOVA. Table 8 displays the results of the ANOVA.

Table 8: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	79.34	3	26.446	124.391	0.000
Residual	34.23	161	0.212		
Total	113.57	164			

Source: Primary Data (2021)

Table 8 shows that the significance value was 0.000. This was less than 0.05 an indication that the ANOVA model was significant in predicting how financial knowledge, financial behaviour, financial attitude affects quality of life of bodaboda operators in Nairobi city, Kenya. According to Table 8 the F critical at a significance level of 5% was 2.60. The F calculated (value = 124.391) was greater in comparison to the F critical; this implies that the model was significant for the study. In addition, the study used the coefficient table to determine the study model. The findings are presented in Table 9.

Table 9: Coefficient of Determination

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)						
	2.379	0.871			2.731	0.010
Financial knowledge	0.341	0.087	0.401		2.209	0.033
Financial Behaviour	0.475	0.215	0.296		3.920	0.000
Financial Attitude	0.234	0.098	0.211		2.388	0.022

Source: Primary Data (2022)

To show the relationship existing between the independent variables and quality of life a multiple regression analysis was undertaken. Based on the SPSS findings from Table 9, the following equation was generated:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon)$$

$$Y = 2.379 + 0.341X_1 + 0.475X_2 + 0.234X_3$$

Based on the regression equation established, the quality of life of bodaboda operators was 2.379 taking all of the other factors (financial knowledge, financial behaviour and financial attitude) into consideration at a constant of zero. The findings also revealed that while all of the other independent variables are held at zero, quality of life would increase by 0.475 if financial behaviour increases by a unit. Similarly, a unit increase in financial knowledge would increase quality of life by 0.341 and an increase in a unit of financial attitude would result in a 0.234 increase in quality of life. This shows that the variable that contributed most to a change in the quality of life of bodaboda operators was financial behaviour, followed by financial knowledge. The results agree with findings by Johan, Rowlingson, and Appleyard (2021) that financial literacy has a positive and significant impact on the quality of life of individuals.

### **Conclusion**

Financial literacy is critical in the day to day operations of entrepreneurs and employees. This is because, through financial literacy, individuals can make correct and appropriate financial decisions that ensure their financial freedom in the long term. The focus of the study was on bodaboda operators in Nairobi city, Kenya. The study concludes that financial literacy is lacking among the bodaboda operators in Nairobi city. The study indicated that informal financial knowledge is common among the bodaboda operators unlike formal financial knowledge. Notably, the study concludes that financial knowledge has a positive and significant effect on the quality of life of bodaboda operators in Nairobi city.

Referencing the second objective to determine the effect of financial behaviour on the quality of life of bodaboda operators in Nairobi city, the study concluded that financial behaviours such as savings and building investment portfolios positively impacts on bodaboda operators' quality of life. The study concluded that through savings and investments the bodaboda operators are able to meet their psychological needs, safety needs, social needs, egotistical needs and self-actualization needs, as posited in Maslow's hierarchical of needs theory.

Lastly, the study concluded that financial attitude has a positive but weak effect on the quality of life of bodaboda operators in Nairobi city, Kenya. The findings indicated that financial attitude is important since it drives appropriate decision making in terms of finances. Therefore, a good attitude towards finances positively influences on the quality of life.

### **Recommendations**

The study recommends that the ministry of education should incorporate financial education in the curriculum in all schools. This is because, as indicated in the study, majority of the bodaboda operators lack the financial knowledge. A similar situation may be evident in other sectors and particularly among small and medium enterprises. Therefore, financial education should be incorporated in the school curriculum so as to equip all individuals at secondary level with formal financial knowledge, in case they do not pursue higher education.

The study also recommends that financial institutions should have financial awareness campaigns. This may involve the financial institutions holding meetings with small business owners and educating them on the importance of securing their future by making appropriate financial decisions. The financial institutions are in a

better position to meet all individuals at the local setting since they have branches all over., By raising awareness, more small scale entrepreneurs may be encouraged to enquire and start practicing saving and investing.

The study also recommends that the bodaboda SACCOs should actively engage in educating their members on the importance of having financial literacy. This is because, as showed in the findings, although, the respondents belonged in SACCOs they still lacked the necessary financial knowledge. Therefore, the bodaboda SACCOs and all other financial institutions should not only focus on getting new members but should also empower their members with information that can change their attitude towards making future investments and savings.

The study also recommends that all bodaboda operators have a medical cover. The findings showed that not all bodaboda operators have medical covers, therefore, it is prudent that all bodaboda operators have a medical cover to cater for their bills in case of any illness. Given the fact that majority of the bodaboda operators live “hand to mouth” in case of any illness a medical cover ensures that they do not get into any debt.

### **Recommendation for Further Research**

The researcher suggested that similar studies be conducted focusing on other sectors such as the small and medium enterprises such as the Juakali sector in Nairobi city. The study established that financial literacy is lacking particularly among small and medium business persons, therefore, focus should be made in other sectors thus raising awareness on the need for financial literacy irrespective of economic status.

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