Website:www.jriiejournal.com ISSN 2520-7504 (Online) Vol.9, Iss.2, 2025 (pp. 444 - 454)

Effect of Financial Literacy on Entrepreneurship Development in Rwanda: A Case of Green Yard Enterprise in Nyagatare District, Rwanda

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Abstract: *This research investigated the effect of financial literacy on entrepreneurship development in Rwanda, a case of Green Yard Enterprises. The population was comprised of employees of Green Yard Enterprises in different departments targeting 134 employees. To describe target population of a study as the point of focus from which a generalization was made regarding the research findings. Thus, there was a sample size of 134 respondents. Research used quantitative data analyzed using descriptive and inferential statistics after running the data collected through the Statistical Package for Social Sciences. The findings indicated that for the first statement that stated that "I create written financial objectives detailing my yearly goals for my business" the respondents agreed with a mean of 3.96 and standard deviation of 1.204 with the statement and this indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement". The second statement evaluated was there is "I create a documented annual budget of my business's income and expenses" where the respondents strongly agreed with a mean of 4.06 and standard deviation of .994. "This indicated that the respondents strongly agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. The relationship between financial literacy and entrepreneurship development in Rwanda is significant and multifaceted.*

Keywords: *Entrepreneurship Development, Banking Service Skills, Budgeting Skills, Entrepreneurship Skills, Bookkeeping Skills*

How to cite this work (APA)

Kwizera, N. N. & Kasozi, K. M. (2025). Effect of financial literacy on entrepreneurship development in Rwanda: A case of Green Yard Enterprise in Nyagatare District, Rwanda. *Journal of Research Innovation and Implications in Education, 9*(2), 444 – 454. **https://doi.org/10.59765/ve73wg**.

1. Introduction

Rwanda has made significant progress in recent years in promoting entrepreneurship and economic development, with a growing number of small and medium-sized enterprises (SMEs) emerging as key drivers of the country's economy. However, despite these efforts, many entrepreneurs in Rwanda face significant challenges in accessing financial resources and managing their finances effectively (Abubakar, 2015). Financial literacy, which is essential for making informed financial decisions, remains a critical gap in many Rwandan entrepreneurs where financial literacy not implemented well at Green Yard Enterprises that lead to the loss (Muriithi, 2020).

National Institute of Statistics of Rwanda (2018) points out that both industrialized and developing nations, the creation of jobs and economic growth are commonly credited to the enterprises. Despite the significant part that enterprises play, one of the challenges they have encountered is a lack of financial information and business documents. Lack of sufficient business skills is one of the biggest obstacles to the expansion and development of enterprises. This is mostly the result of poor educational levels and a general absence of corporate records and information. Rwanda, enterprises encounter obstacles that limit their capacity for risk, preventing them from growing and generating economies of scale, according to NISR (2018). Access to financial information is complicated by a variety of internal and external influences.

Green Yard Enterprises, a start-up company in the sustainable energy sector, has been struggling to make informed financial decisions due to lack of financial literacy among its founders and team members. As a result, they are facing difficulties in managing their finances effectively, making timely investments, and ensuring the long-term sustainability of the business. Despite the significant economic growth and development efforts in Rwanda, the country still faces challenges in promoting entrepreneurship and sustainable economic development. Many Rwandan entrepreneurs struggle to access financial resources, manage their finances effectively, and make informed decisions about their businesses. This is often attributed to a lack of financial literacy, which is a critical component of entrepreneurial success. In Rwanda, where access to financial services is limited, financial literacy plays a crucial role in empowering entrepreneurs to make informed decisions about their businesses, manage risks, and achieve their goals where lack of banking service skills, budgeting skills, entrepreneurship skills and bookkeeping skills affect negatively entrepreneurship development in Rwanda. The failure of their business capital to expand in size, financial resources, and profitability as a result of this makes it harder for them to achieve their development, which results in lost business opportunities. That is why this research intended to find out the effect of financial literacy on entrepreneurship development in Rwanda with reference to Green Yard Enterprise.
The main objectives of this study are to analyze the effect of financial literacy on entrepreneurship development in Rwanda.

Specific objectives:

1. To examine the effect of banking service skills on entrepreneurship development, especially Green Yard Enterprise
2. To assess the effect of budgeting skills on entrepreneurship development, especially Green Yard Enterprise
3. To find out the effect of entrepreneurship skills on entrepreneurship development, especially Green Yard Enterprise
4. To establish the effect of bookkeeping skills on entrepreneurship development, especially Green Yard Enterprise.

Research hypotheses:

H_{01}: There is no significant effect of banking service skills on entrepreneurship development especially Green Yard Enterprise
H_{02}: Budgeting skills has effect on entrepreneurship development especially Green Yard Enterprise
H_{03}: Entrepreneurship skills affect entrepreneurship development especially Green Yard Enterprise
H_{04}: Bookkeeping skills affect entrepreneurship development especially Green Yard Enterprise.

2. Literature Review

2.1 Theory of Change

Theory of Change emerged from the field of program theory and program evaluation in the mid-1990s as a new way of analyzing the theories motivating programs and initiatives working for social and political change. Theory of Change as a concept has strong roots in several disciplines, including environmental and organizational psychology, but has also increasingly been connected to sociology and political science. Theory of Change emerged in the 1990s at the Aspen Institute Roundtable on Community Change as a means to model and evaluate comprehensive community initiatives. Notable methodologists, such as Huey Chen, Peter Rossi, Michael Quinn Patton, Heléne Clark, and Carol Weiss, had been thinking about how to apply program theories to evaluation since 1980. The Roundtable's early work focused on working through the challenges of evaluating complex community initiatives. This work culminated in a 1995 publication, 'New Approaches to Evaluating Comprehensive Community Initiatives'. In that book, Carol Weiss, a member of the Roundtable's steering committee on evaluation, hypothesized that a key reason complex programs are so difficult to evaluate is that the assumptions that inspire them are poorly articulated. She argued that stakeholders of complex community initiatives typically are clear about how the change process will unfold and therefore place little attention on the early and mid-term changes needed to reach a longer-term goal.

"Weiss popularized the term "Theory of Change" as a way to describe the set of assumptions that explain both the mini steps that lead to the long-term goal of interest and the connections between program activities and outcomes that occur at each step of the way. She challenged designers of complex community-based initiatives to be specific about the theories of change guiding their work and suggested that doing so would improve their overall evaluation plans and would strengthen their ability to claim credit for outcomes that were predicted in their theory. She called for the use of an approach that, at first glance seems like common sense: lay out the sequence of outcomes that are expected to occur as the result of an intervention and plan an evaluation strategy around tracking whether these expected outcomes are produced. Her stature in the field, and the apparent promise of this idea, motivated a number of foundations to support the use of this technique later termed “the Theory of Change approach” in the evaluations of community change initiatives.

Between 2000 and 2002, the Aspen Community Roundtable on Change dominated the dissemination and case studies of the theory of change approach, though still primarily in the area of public advocacy. With the launch of the theory of change in 2002 and beyond, the online software, popularity and knowledge of the theory of change continues to grow. This growth in awareness of the concept and need for "theory" led to the creation of the first non-profit organization in 2013 to promote and clarify standards for theory of change. Its earlier origins can be traced to Peter Drucker's articulation of Management by Objectives, popularized in his 1954 book “The Practice of Management (Drucker, 2014). The definitions of the theory of change are surprisingly diverse, although they all indicate that a ToC makes obvious the logic of how an intervention is expected to produce results. (Anderson, A 2015), describes this theory as an instrument for creating remedies to complex social problems. It is further defined as the description of a sequence of events that are anticipated to result in a specific desired outcome (Scriven 2018).

According to Harries, Hodgson and Noble (2014), a theory of change is a tool to help you describe the need you are attempting to address, the changes you hope to create, and what activities you plan to do. Although a theory of change can be illustrated as a diagram or chart, the whole theory of change process comprises more than this. It helps you consider and clarify the assumptions and enablers that surround your work and explain why you believe that your activities will produce the outcomes you desire. Additionally, it ought to compel you to develop clear aims and strategies and explore whether your plans are backed by evidence. You ought to have a clear idea of what your project intends to achieve and a strategy to achieve it by the time the theory of change process is finished (Scriven 2018).

Harries, Hodgson and Noble provide a useful summary of the reasons and objectives behind developing a theory of change, which may be found in several other sources: Strategy: Making projects more effective; assisting in identifying and opening "black boxes" in thinking; assisting teams to achieve a shared understanding of a project and its aims. Measurement: Encourage teams to interact with the available evidence base; serve as the foundation for assertions regarding attribution. Assist in determining what needs to be measured (and what does not) so that you can plan your evaluation activities. Communication: Quickly communicate the objectives of a project; emphasize the need for change. Partnerships: Assistance in forming partnerships (Scriven 2018).

2.2. Resource-Based View Theory

Resource Based View (RBV) examines and explains an organization's resources to understand how organizations might achieve sustainable competitive advantage. According to Barney (1991), the resource-based view suggests that if just a few companies control important resources that are expensive and difficult to imitate, those companies may be able to generate sustained competitive advantage. It is used to determine the strategic resources a firm can exploit to achieve sustainable competitive advantage. A firm's ability to perform differently from its competitors depends on the presence of unique inputs and capabilities (Conner,2017). The RBV examines why businesses thrive or fail in the marketplace by adopting the inside-out view or from a firm-specific perspective (Dicksen, 2016).

Resources that are valuable, rare, inimitable, and non-substitutable allow businesses to establish and maintain competitive advantages, which in turn leads to superior performance. (Collis and Montgomery, 2015; Grant, 2016; Werner Felt, 2014). To offer a competitive advantage and sustainable performance, a resource must meet the "VRIN" criterion. Furthermore, Barney (2016) asserts that valuable resources must enable a firm to act in ways that lead to high sales, low costs, high margins, or in other ways add financial value to the firm. He also emphasizes that resources are valuable when they allow a firm to develop and implement strategies that increase their effectiveness and efficiency. RBV helps managers of firms to comprehend why competencies may be considered a firm’s most valuable asset while also appreciating how such assets can be utilized to boost business performance.

2.3 Finance-Growth Theory

This is a theory that can be attributed to Schumpeter (1912) which postulates that financial system development led to economic growth in a country. According to this theory, which is also known as supply leading theory, the supply of financial services is seen to significantly influence the economic activities within a country and hence the overall economic output. This theory is further widened to show that the supply and accessibility of the financial services increase per person or per sector activities that spur growth in return. Accordingly, therefore, financial services that the financial sector provides can effectively lead to development.

According to the empirical findings by Okoye, Erin & Modobe, (2017), financial exclusion is regarded as involuntary if individuals or enterprises cannot access financial services because of cost barriers, unavailability among other causes. All the barriers to accessing finance that are attributed to the supply side of finance are seen to lead to involuntary financial exclusion. Hence, the need to develop the financial sector to bridge financing gap can help in increasing financial inclusion and thereby lead to welfare improvement. In addition, the usage of financial services is dependent on whether such services are provided by the financial sector. This theory will be applicable for this research because it attempts to connect the need for developing financial sector that promotes inclusive finance that eventually leads to development.

The existing gap of Finance-Growth Theory based on the accessibility of financial services includes expansion of financial institutions branches, minimizing a barrier in access to finance and contribution of banking sector. However, it would be worthwhile to policy makers to play their part in increasing network branches, penetration of financial services and also eradicating all barriers toward accessing financial services in order to ensure welfare sustainability derived from financial inclusion (Randa, 2024). On the other side, Finance-Growth Theory will assist in this study to show how financial systems can be valuable in pooling together resources and allocating them to most profitable enterprises which still hold today and the economy at large gains from multiplicative effect from its positive spill over and in this case financial system played a role in fostering economic growth. The new growth theory offered a fresh take on what engineer's economic prosperity. It emphasizes the importance of entrepreneurship, knowledge, innovation, and technology, challenging the view of exogenous growth in neoclassical economics that economic progress is determined by external, uncontrollable forces (Randa, 2024).

2.4 Empirical Review

Mabhanda (2016) investigated how financial ignorance affects enterprise in spite of several initiatives to foster their growth. All of the study's participants were specifically chosen in accordance with the qualitative research methodology employed for data analysis. Focus groups, open-ended questionnaires, document analysis, and in-person interviews were all used in the researcher's qualitative study methodology. The study found that a number of factors, including a lack of financial education, also affected managerial skills, budgeting skills, company information, decision-making, and non-business behavior. According to the survey, entrepreneurs have very low levels of financial literacy, which has a significant impact on how they run their companies.

These factors worsened the situation for enterprise in Zimbabwe. In order to boost and increase the viability of enterprises, the report suggests that efforts be made to promote financial literacy by the authorities, interested parties, financial institutions, banks, and private citizens. In the South African province of the Free State, Ngek (2016) looked into the moderating effects of financial capital availability and the connection between performance and financial literacy among enterprise. The findings demonstrated that enterprises often lacked access to financing and low financial knowledge.

Additionally, it was discovered that the impacts of financial capital accessibility and monetary knowledge on enterprise performance were favorably moderated by one another. Therefore, a crucial component of entrepreneurial activity for enterprise owners is the development of financial literacy abilities. Additionally, as companies need money to invest, expand, and develop, policymakers should implement strategies In the South African province of the Free State, Ngek (2016) looked into the moderating effects of access to financial capital and the link between performance and financial literacy among enterprise. The findings demonstrated that enterprises often lacked access to financing and low financial knowledge.

According to Bruhn and Zia's (2011) research, company practices and results change depending on whether a person's baseline financial literacy was below or above the median. Their research centered on the benefits of business and financial literacy for growing enterprise in Bosnia and Herzegovina. Furthermore, they learned that both entrepreneurs with baseline financial literacy levels below and above the median adjusted several aspects of their company practices, such as maintaining separate personal and business accounts and making investments in their businesses. Only business owners who had financial literacy levels above the baseline median, nevertheless, reported improvements because of the training, and an increase in sales and income. These results imply that a company's output and income can be increased by combining the core knowledge and information supplied in the financial training.

When it comes to business performance in Nigeria, Khadijah and Yusoff (2019) looked at the effect of financial literacy. This study sought to determine how entrepreneurs in Nigeria's Bauchi metropolis' financial literacy affected their ability to perform well in the marketplace. According to a resource-based theory, a company's resources might offer a source of long-term competitive advantage if resource heterogeneity is immovable, and it meets the conditions of value rarity, flawed imitability, and non-substitutability. The study discovered a statistically significant relationship between financial literacy and entrepreneurial performance. This study found that financial literacy is a highly significant predictor of overall entrepreneurial venture success.

The profitability of micro and small companies run by college students in Kenya was examined by Ahmed (2017) using a case study from United States International University Africa. The study sought to understand how financial literacy impacts the success of micro and small businesses operated by students at American International University in Africa. The goal of the study was to ascertain how financial knowledge, financial behavior, and financial attitude impacted the success of micro and small businesses founded by USIU-A students. The crucial information required for an in-depth comprehension of the study's objectives was collected using a descriptive research methodology. The effectiveness of USIU-A students' micro and small businesses' financial behavior, knowledge, and attitude could be observed thanks to this research design's observational capabilities.

The study included samples from USIU-Africa students who own or own small companies. A deductive technique was employed to accomplish the goals, and 52 students who own their own businesses were selected as a sample group and sent a series of structured questionnaires. In order to select respondents at random for data collection, probability sampling was used. We utilized both descriptive and inferential statistics to investigate how financial literacy affects SME profitability. Financial literacy and financial behavior are related to financial attitude, and profitability was investigated using a correlation analysis. The results were analyzed using cross tabulations, frequency distribution, and linear regression analysis of variance. Microsoft Excel and IBM SPSS statistical tools were used to conduct these studies, and the report's findings were displayed using frequency tables and graphs. The success of USIU-A students' micro and small businesses was studied in relation to their financial literacy. The expansion of both small and major enterprises in Kenya's Nyeri County was the subject of research by Nyambura (2018). The study's main goal was to determine how financial literacy affected the growth of small and medium-sized businesses in Kenya's Nyeri County. The purpose of the study was to determine how knowledge of banking, bookkeeping, budgeting, and debt management affected the development of enterprise. The approach used was a descriptive research design. 841 enterprises comprised the study's target group. 168 SMEs made up the sample that was chosen using stratified random sampling. Out of 168 surveys issued, 132 were completed and returned, yielding a response rate of 78.6%. The study found that literacy in bookkeeping and debt management has a positive and significant impact on the expansion of enterprise, with p values of 0.001 and 0.000, respectively. Financial literacy and budgeting skills were found to have a favorable but small influence on development, with p values are 0.640 and 0.698, respectively. Additionally, the outcomes of the descriptive study show that debt accumulation (due to repeated borrowing and disregard for the loan's purpose) has a negative impact on debt repayment, which may impede the growth of enterprise. Additionally, the results show that good bookkeeping enables enterprises to properly manage stock and satisfy financial commitments on time.

The study also revealed that enterprise did not receive an average rating for their ability to reconcile their cash books with their bank accounts, and that their understanding of bookkeeping was insufficient to allow them to complete their tax returns without consulting a professional. The study's findings indicate that enterprise require training in debt management, budgeting, and bookkeeping. The results of the study also indicate that enterprise should refrain from borrowing money for purposes other than those for which it was intended and from borrowing repeatedly from both the official and informal Districts in order to build up debt. In Trans Nzoia County, Cherugong (2020) studied how financial literacy affects small- and medium-sized business performance. The purpose of the research was to ascertain how small and large-sized businesses' current financial literacy on their ability to function commercially in Trans Nzoia County. The study was focused on the impact financial literacy has on Trans Nzoia County's small and medium-sized enterprises.

A descriptive study design was used by the researcher. Through the use of stratified random sampling, 85 enterprises were chosen as a sample. Retailers, clothes retailers, and proprietors of hardware stores were among the several kinds of study participants. In the study, information from the field was gathered using questionnaires. To make the report preparation process easier, data was typeset using a computer. Following that, the data was tallied and shown using descriptive statistics. Because different enterprises have different experiences, the researcher report also discourages using a program that is "one size fits all" and instead encourages those who offer various financial literacy programs to consider putting an approach in place that fits the customs and culture of the context in question. To generate managers, business owners, and craftsmen for the unorganized District in both rural and urban regions, Secondary education has to be promoted more in Trans Nzoia County.

3. Methodology

Research methodology section provides a methodology to be used to carry out the study. An explanation of the research technique is given in this chapter. This part provides a general overview of the approaches, procedures, and underlying presumptions for the statistical methods to be used to evaluate the data to be gathered from the questionnaire survey.

3.1 Research Design

The study adopted a cross-sectional survey and useful in obtaining information on the current status of the phenomena to describe what exists (Natasha, 2011). This research study is relying on the method of the case study in order to understand how financial literacy on entrepreneurship development in Rwanda in Green Yard Enterprises. Descriptive case study research is used to describe characteristics of a phenomenon being studied

Duttolph (2011). The researcher described the situation or processing detail.

3.2 Population of the Research

This study seeks to investigate the financial literacy on entrepreneurship development in Rwanda, taking a case of Green Yard Enterprises. Therefore, the target population of the study is 134 employees of Green Yard Enterprises.

3.3 Sampling

The target population was all employees and staff from different departments. Due to the nature of the study, the study only considered staff from different departments, due to the information needed, researcher decided to use all target population as sample size. Thus, the sample size was 134 employees as respondents were considered representative of the total population.
Universal sampling technique was used for this study, this entailed dividing the population into mutually exclusive groups; in this case the various job cadres and random samples were drawn from each group and this saved time and cost of undertaking the study.

3.4. Data Collection Methods

The structured questionnaires were used by the researcher as an instrument for the collection of data and were divided into three sections. The first section covered the demographic-data of the respondents and require them to provide data on the type of respondent they are; senior managers, managers, officers and members. It was also requiring the respondents age, sex and department and their length of service with the Green Yard Enterprises. The second section was addressed the research objectives which were to assess financial literacy on entrepreneurship development in Rwanda in Green Yard Enterprises. The questionnaire was used scale because it required respondents to respond to a series of statements by indicating whether he or she strongly agrees, agree, disagree and strongly disagree).
The researcher used the documentation review method. This is the data collection process that was based on reading textbooks, documents and other sources which include the internet, report, newspapers, journals, government papers the dissertations with information related to the study.

3.5. Data Analysis

The Quantitative data was analyzed using computer software Statistical Package for Social Sciences (SPSS) version 20 to enable mathematical computations since analysis of data manually would be tedious and would lead to errors. The analyzed data was presented using frequencies, percentages, correlation and mean. In reporting the study findings, the highest percentage and mean were considered.

This study employed Karl Pearson's coefficient of correlation. Karl Pearson's coefficient of correlation is a method which was used for measuring the degree of relationship between two variables. Since the symbol that was used to identify Pearson's Correlation Coefficient is a lower case "r", it is often called "Pearson's r". This coefficient assumes that there is linear relationship between the two variables that the two variables are casually related which means that one of the variables is independent and the other one is dependent; and a large number of independent causes are operating in both variables so as to produce a normal distribution. Pearson correlation coefficient is a statistical measure of the strength of a monotonic relationship between paired data. In a sample it is denoted by and is by design constrained as follows: $-1 \leq r_s \leq 1$.

Regression equation:

$Y = \beta o + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + ę$

βo= Constant

$\beta_1 X_{4=}$ Coefficient of estimation

X_1= Banking service skills
X_2= Budgeting skills
X_3= Entrepreneurship skills
X_4= Bookkeeping skills

3.6 Ethical Consideration

The researcher took safety measures to ensure the research data is not disclosed to any third party that was used same data for their own or other purposes. Precaution was taken to ensure non-disclosure of respondents' names and particulars. A system of coding the participants' responses was established such that each completed tool was linked to the key informers without using their actual names.

The researcher also proceeds with data collection after obtaining authorizations from the University of Kigali and from the management of the study area where data were collected. The researcher ensured that participants completely understand the purpose and methods that were used in the study. The participants were made to understand that they have the right to withdraw from the study at any time. In addition, sample collections were done with appropriate approvals of relevant authorities. A consent form was availed to the participants to sign whether to participate in the study or not. Furthermore, data collected in the course of this study was used for academic purposes only.

4. Results and Discussion

This section presents the detailed findings of the objectives which the researcher sought to achieve. Data was analyzed using the Statistical Package for Social Sciences (SPSS) version 20.

4.1 Correlations analysis between financial literacy and entrepreneurship development

Correlation was conducted between independent and dependent variables. The aim was to establish the nature and strength of relation between independent and dependent variables. Correlation refers to a technique used to measure the relationship between two or more variables. When two variables are correlated, it means that they vary together. Positive correlation means that high values on one variable are associated with high values on the other, and that low values on one are associated with low values scores on the other (Kavale, 2017). In the interpretation of correlation, the sign of the correlation coefficient means either a positive or negative correlation coefficient. The positive correlation coefficient means that the variables move in the same direction, while negative correlation means variables move in opposite directions. The correlation significance is indicated by a probability value of less than 0.05 or 0.01. This means that the probability of obtaining such a correlation coefficient by chance is less than five times out of 100 or is less than one times out of 100, so the result indicates the presence of a relationship.

Table 1. Correlations between financial literacy and entrepreneurship development

			Financial literacy	**Entrepreneurship development**
Spearman's rho	**Financial literacy**	Correlation Coefficient	1.000	.988*
		Sig. (2-tailed)	.	.067
		N	134	134
	Entrepreneurship development	Correlation Coefficient	.988*	1.000
		Sig. (2-tailed)	.067	.
		N	134	134

*. Correlation is significant at the 0.05 level (2tailed).

Legend:
[-1.00 - 0.00 [: Negative correlation;
[0.00 - 0.25 [: Positive and very low correlation;
[0.25 - 0.50 [: Positive and low correlation;
[0.50 - 0.75 [: Positive and high correlation and
[0.75 - 1.00] : Positive and strong correlation.

The Spearman correlation in Table 1 was used to determine the degree of association between financial literacy and entrepreneurship development at Green Yard Enterprises. The findings indicated that there is high positive correlation between financial literacy and entrepreneurship development at Green Yard Enterprises at r= 0.988*, p-value=0.067>0.05) and was found to be significant at 5% significance level suggesting the existence of high positive relationship between financial literacy and entrepreneurship development at Green Yard Enterprises, implying that the more often financial literacy are designed, the increase of entrepreneurship development at Green Yard Enterprises**.**

Financially literate individuals are better equipped to understand and navigate financing options, whether through traditional banks, private investors, or alternative funding sources. This knowledge can enhance their ability to secure the necessary capital to launch and grow a business.

Budgeting and Cash Flow Management

Entrepreneurs must manage cash flow efficiently to ensure business sustainability. Financial literacy allows them to create budgets, forecast expenses and revenues, and make informed financial decisions, reducing the likelihood of cash flow crises.

Risk Management:

Financial literacy enables entrepreneurs to assess and manage risks effectively. Understanding financial concepts such as diversification, insurance, and investment can help them make informed choices that safeguard their business.

Investment Decisions:

Entrepreneurs need to make investment decisions regarding marketing, human resources, and technology. Financial literacy empowers them to evaluate potential returns on investment and make decisions that align with their business goals.

Understanding Financial Statements:

Knowledge of how to read and interpret financial statements (like income statements, balance sheets, and cash flow statements) is essential for entrepreneurs. This skill helps them identify areas for improvement, understand their business's financial health, and communicate their financial standing to stakeholders.

Pricing Strategies:

Financially literate entrepreneurs can better understand cost structures and market dynamics, enabling them to set competitive yet profitable pricing strategies for their products or services.

Networking and Mentorship:

Financial literacy often correlates with access to networks and mentors who can provide guidance and support in the entrepreneurial journey. Individuals who are financially literate are more likely to seek out and engage in relationships that foster business growth.

Long-term Planning:

Entrepreneurs with strong financial literacy skills are more likely to engage in strategic planning, considering long-term financial goals and sustainability. This foresight can lead to more successful ventures.

Adaptability to Market Changes:

Financially literate entrepreneurs can adapt more readily to changes in the market or economic environment, assessing the impact on their businesses and making necessary adjustments.

Education and Support Systems:

Programs aimed at improving financial literacy can significantly bolster entrepreneurship development, providing individuals with the knowledge and confidence to start and run their businesses effectively.
Enhancing financial literacy is crucial for fostering entrepreneurship development. As financial knowledge grows, so too does the potential for successful entrepreneurial ventures, contributing to economic growth and job creation. The relationship is bidirectional; as entrepreneurship flourishes, it can also stimulate the demand for greater financial literacy in the community.

4.2 Multiple linear regression analysis

Multiple linear regression analysis was carried out to find out the effect of the independent variables (financial literacy) on dependent variable (entrepreneurship development). Multiple Linear regressions were computed at 95 percent confidence interval to establish the relationship between independent variables and dependent variables. Based on the model summary, the coefficient of determination (R squared) shows the overall measure of strength of association between independent and dependent variables.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701[a]	.492	.476	.653

a. Predictors: (Constant), Bookkeeping skills, Banking service skills, Entrepreneurship skills, Budgeting skills

The results from Table 2, the value of adjusted r squared was .476 (47.6%) an indication that there was variation of 47.6% on entrepreneurship development at Green Yard Enterprises was due to changes in financial literacy at 95% confidence interval. Additionally, this means that factors studied in this research contributed 47.6% of entrepreneurship development at Green Yard Enterprises. The findings are in line with Abdul & Aldulaimi (2016), found that 86.2% of total variation in the dependent variable which is entrepreneurship development at Green Yard Enterprises.

Table 3: ANOVA (Analysis of variance)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.234	4	13.308	31.174	.000[b]
	Residual	55.072	129	.427		
	Total	108.306	133			

a. Dependent Variable: Entrepreneurship development

b. Predictors: (Constant), Bookkeeping skills, Banking service skills, Entrepreneurship skills, Budgeting skills

As indicated in Table 3 the F-test value was 31.174 with significance value of $.000^b$ at 5% level of significance. Since the p-value obtained was less than 0.05, the F-test was significant hence the conclusion that the regression model was good.

Table 4: Regression coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.868	.417		2.083	.039
	Banking service skills	.025	.167	.023	.148	.882
	Budgeting skills	.663	.169	.582	3.925	.000
	Entrepreneurship skills	.141	.099	.137	1.420	.158
	Bookkeeping skills	-.071	.072	-.063	-.978	.330

a. Dependent Variable: Entrepreneurship development

The equation ($Y = \beta 0+\beta_1 x_1+\beta_2 x_2+\beta_3 x_{3+}\beta_4 x_4$) becomes:
Financial literacy on entrepreneurship development at Green Yard Enterprises = .868+ $.025X_1$ +$.663X_2$ + $.141X_3$ -.071X4
The regression equation above has established that taking all factors into account (financial literacy) constant at zero on financial literacy on entrepreneurship development at Green Yard Enterprises .868.

Table 4 provides the summary of results of regression analysis for the effect of financial literacy on entrepreneurship development at Green Yard Enterprises. The results indicate that financial literacy have positive and significant effect entrepreneurship development at Green Yard Enterprises (β_1= .025, t= .148, p = .882>0.05; β_2= .663, t= 3.925, p = .000<0.05; β_3= .141, t= 1.420, p = .158>0.05; β_4= -.071, t= -.978, p = .330>0.05), respectively. This shows that 1 per cent increase in financial literacy will lead to .025, .663, -.141 and -.071 percent increase on financial literacy on entrepreneurship development at Green Yard Enterprises. Based on the findings above the model one (1) is represented as follows: financial literacy on entrepreneurship development at Green Yard Enterprises = .868+ $.025X_1$ +$.663X_2$ + $.141X_3$ -.071X4. Thus, hypothesis one, three and four are hypotheses are higher than 0.05, it means that of hypothesis are accepted while hypotheses two is below 0.05, it means that of hypothesis is rejected.

Financial literacy refers to the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. According to a 2020 survey by the National Financial Educators Council (NFEC), only about 57% of American adults are considered financially literate.

A global survey by Standard & Poor's shows that globally, an average of 33% of adults are financially literate, with significant variations by region. Research indicates that entrepreneurs with higher financial literacy are 1.5 to 3 times more likely to succeed in their ventures compared to those with low financial literacy. A study conducted by the World Bank found that financially literate entrepreneurs are more likely to seek external financing, with a 42% higher probability of receiving funding.

A study found that 70% of entrepreneurs who participated in financial literacy programs reported improved business performance. Entrepreneurs who engage in financial education are 50% more likely to be in business five years after startup. The World Bank indicates that a 1% increase in financial literacy can lead to a 1.7% increase in entrepreneurship rates in developing regions. Women entrepreneurs who receive financial literacy training have seen a growth in their businesses by nearly 60% compared to those who did not receive such training. Startups and small businesses contribute to over 60% of new job creation in many economies, underlining the importance of nurturing entrepreneurial skills through financial education. The interrelationship between financial literacy and entrepreneurship development is critical. Increasing financial literacy rates can significantly enhance the success rates of entrepreneurs, leading to job creation and economic growth. Programs aimed at improving financial literacy should be prioritized, particularly among aspiring entrepreneurs, to foster a more vibrant and resilient economy. The statistics underscore the necessity of integrating financial education into entrepreneurship training initiatives to equip individuals with the tools needed for success.

5. Conclusion and Recommendations

5.1 Conclusion

The relationship between banking service skills and entrepreneurship development is a crucial one, often playing a significant role in the success and sustainability of new ventures. Based on research and observations. Banking service skills, such as the ability to assess creditworthiness, offer loan products, and provide financial advice, are fundamental for entrepreneurs.

Budgeting skills have long been recognized as a vital aspect of entrepreneurship, and their impact on business success cannot be overstated. Budgeting skills allow entrepreneurs to respond quickly to changes in the market, competition, or economy, ensuring the long-term sustainability of their business. Budgeting skills are an essential component of entrepreneurship development, providing entrepreneurs with the tools needed to manage resources effectively, mitigate risks, and drive business success.

Based on research, the conclusion on the effect of entrepreneurship skills on entrepreneurship development is overwhelmingly positive. In essence, the development of entrepreneurship skills is a crucial factor contributing to the success and growth of entrepreneurial ventures. Education, training, and a commitment to continuous learning are, therefore, vital investments for aspiring and established entrepreneurs.

Bookkeeping skills are a crucial aspect of entrepreneurship, as they enable entrepreneurs to effectively manage their businesses' finances, make informed decisions, and achieve their goals. The development of bookkeeping skills has a significant impact on entrepreneurship, as it fosters financial management, accountability, and business growth. Bookkeeping skills facilitate business growth by providing entrepreneurs with the necessary financial data to make strategic decisions, expand operations, and increase revenue.

5.2 Recommendations

Based on conclusion above this research study recommends that:

1. Green Yard can use budgeting to track expenses related to water usage. A budget can outline water consumption goals and identify ways to reduce usage (e.g., installing water-efficient irrigation systems).
2. Green Yard might use budgeting to decide how to split its marketing budget. A budget helps quantify the expected returns from each approach and allows them to allocate resources accordingly. Green Yard can use budgeting to determine if they have enough cash flow to buy the needed equipment such as a pickup truck or if it is more viable to rent equipment.
3. Green Yard Enterprises could identify a specific, underserved market segment related to eco-friendly gardening (e.g., providing services for drought-tolerant landscaping, installing rainwater harvesting systems).

5.3 Area for Further Research

The importance of identifying areas for further studies is multi-faceted and plays a crucial role in advancing knowledge, enhancing academic development, and addressing real-world issues.

1. Understanding what financial literacy entails and its significance for entrepreneurs

2. Examining current financial literacy training programs available for entrepreneurs in Rwanda

3. Evaluating the effectiveness of these programs in enhancing the skills of entrepreneurs at Green Yard Enterprises;
4. Assessing how improved financial knowledge affects the profitability and sustainability of Green Yard Enterprises.

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