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Assessment and analysis of financial literacy campaigns from financial institutions for Small- and Medium Size Enterprises (SME's) in Colombia

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ASSESSMENT AND ANALYSIS OF FINANCIAL LITERACY CAMPAIGNS FROM FINANCIAL INSTITUTIONS FOR SME'S IN COLOMBIA

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ABSTRACT:

The lack of financial literacy in SMEs is one of the main obstacles to SMEs finance (Zavatta, 2008). This problem is even greater in developing countries where the informal economy, the low levels of education and the low bancarization rates are known to be high in this region. One of the relevant trends in SME Finance are innovative financial instruments in “capacity building” mainly financial literacy campaigns (or financial education offerings) from financial institutions (Imanbaeva et al., 2017). The main research question of the present study is: Do financial literacy campaigns (or financial educational offerings) provide an adequate level of financial education for SMEs in Colombia? This research project was carried out applying a qualitative methodology. The primary data has been obtained through different types of 11 in-depth interviews from the perspective of the financial institutions and also from Chambers of Commerce that provide the trainings. From the assessment and analysis of the financial literacy campaigns, the main results show that the programs that are designed for rural areas of the country do not have all the necessary components that the OECD recommends for a person to be considered financially educated. The financial education offerings carried out in the big cities (offered by the Banco de Bogota, the Chamber of Commerce of Bogota and Cali) provide SMEs with key mechanisms in financial education of great value, according with the components that the OECD recommends. Other important aspects from the results show that the financial education trainings are very short, so that it is not possible to cover all the required topics from the OECD to consider someone financial educated. Furthermore, several participants of the financial trainings are not able to finish due to her/his responsibilities as entrepreneur. Besides, for most of the offerings, there is not an impact evaluation (post-evaluation) about the effect of the trainings regarding the application of the knowledge in financial matters.

KEYWORDS:

SME Finance, financial literacy campaigns, financial education, financial inclusion

JEL classification: M, O

AUTHORS:



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1. Introduction

1.1 BACKGROUND AND RATIONALE OF THE RESEARCH

As the “Financial Literacy Around the World” report states, only one third of the world population is financially literate (Klapper et al., 2015). The above statement is a sentence that should worry everyone as the OCDE states “financial literacy is increasingly considered to be an essential life skill” (Financial Literacy Expert Group, 2012) and the citizens can improve their economic life through the understanding of financial products and risks.

One relevant cluster to be analyzed regarding financial literacy are the small or medium enterprises (SMEs). When entrepreneurship is addressed, usually it is about the new business ideas, how to be creative, the way to impact the market with a new product or service, but the financial area is not always the first priority. However, the managers that are part of a SME have to deal with the finances of managing a company, its budget, accounts receivable and payable, investments, etc. and if the lack of financial education is extrapolated to this population, there is a problem for its development. Ayyagari et al. (2011) stated that *“The SMEs face greater financing obstacles than large firms, and they also show that finance, crime, and political instability directly affect the rate of growth of firms, with finance being the most robust variable affecting firms’ growth rate”*. These problems are even more dramatic in developing countries where the informal economy, the low levels of education and the low bancarization rates are high in this region.

The lack of financial literacy in SMEs is one of the main obstacles to SMEs finance (Zavatta, 2008). One of the relevant trends in SME Finance are innovative financial instruments in the area of “capacity building” and within this field, financial literacy campaigns (or education offerings) from the supply side (financial institutions) (Imanbaeva et al., 2017). Several institutions have started to create financial literacy campaigns (or educational offerings) to work with employees of SMEs to train them on financial management aspects. Some of these institutions are the governments, financial cooperatives and banks. In Colombia these programs started from the public sector at the end of the XX century and they have evolved since then. However, in 2012 in the PISA tests, this country rated as one of the lowest in financial literacy and the companies, especially the SMEs were not in a high position worldwide. Since then, more efforts have been done to improve financial education and the law to the private sector to include this training in their tasks has created even some obligations. Therefore, this research focus on the assessment and analysis of financial literacy campaigns from financial institutions for SMEs located in Colombia.

The statements above bring to light the need to address these problems. Even though the benefits of a society with high financial literacy level has been acknowledged by the majority of governments in the world, the development of the literacy levels in the developing countries is not yet ideal.

A quick glance of the literacy levels in the world shows that there is a correlation between the most developed countries and higher levels of financial literacy as seen in Figure 1:

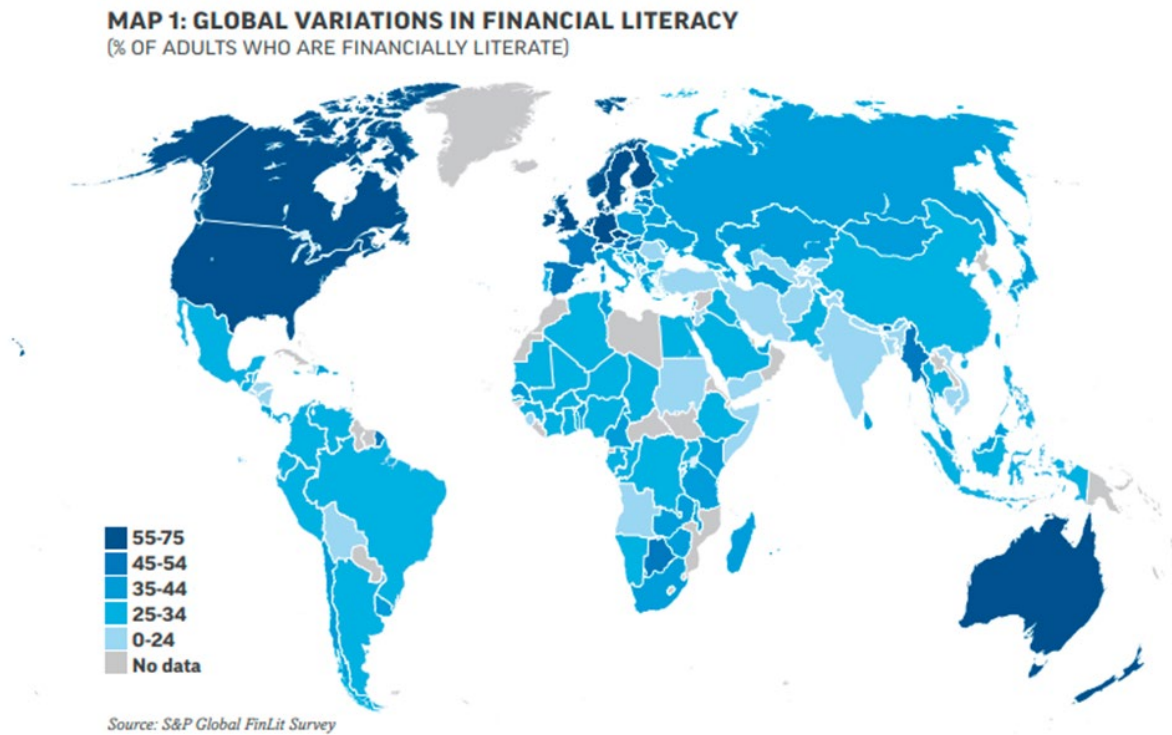


Figure 1. Map 1: Global variations in financial literacy. Source: Klapper et al., 2015

This map was created by S&P which performed a financial literacy survey around the world in 2014. Nevertheless, it shows that for the developing countries there is a gap to fill in this area, which combined with the great benefits of high financial literacy for society and for companies, the efforts to improve these levels are necessary. For these purposes, different institutions have started to create campaigns to work with the population and the companies to train them on financial literacy. Some of these institutions are the governments, financial cooperatives and the banks. In Colombia specifically, these programs started from the public sector at the end of the XX century and they have evolved since then.

However, in 2012 in the PISA tests, this country rated as one of the lowest in financial literacy (Alvarez-Franco et al., 2015), and the companies, especially the SMEs were not in a high position worldwide. Since then, more efforts have been made to improve this education and even some obligations have been created by the law to the private sector to include this training in their tasks. However, the effectiveness of the recent campaigns and a full analysis in the present is yet to be done.

1.2 RESEARCH QUESTIONS AND OBJECTIVES

This paper focus on the assessment and analysis of financial literacy campaigns from financial institutions, specifically for the SMEs population located in Colombia. It is important to clarify about the meaning of the focus on SMEs regarding the educational offerings (or educational campaigns) from programs in schools or large companies: Programs for SMEs differ from programs in large companies due to several reasons, but especially because large companies usually have more resources and therefore more possibilities to hire qualified employees for their Accounting and Finance departments, so that they have a qualified team in this area and their trainings are more specialized and not only basic topics as for SMEs. Start-ups and SMEs usually do not have this possibility and normally one or two persons need to manage the different departments of the company. Regarding educational programs in schools, it is also different in the sense that in SMEs the entrepreneurs that receive the course and/or training are experienced adults in different business areas, but frequently not in the Accounting and Finance area.

The statements above bring to light the need to address these problems. Even though the benefits of a society with high financial literacy level has been acknowledged by the majority of governments in the world, the development of the literacy levels in the developing countries is not yet ideal.

According to the problematic and context described before, the main research question of the present study is: Do financial literacy campaigns (or educational offerings) provide an adequate financial education for SMEs in Colombia? This study contributes to the stream of literature providing a country study on the effectiveness of the current campaigns in financial education in Colombia.

And the specific objectives are:

1. To identify the current financial literacy campaigns (or financial educational offerings) for SME's in Colombia;
- 2.- Evaluate the effectiveness of the campaigns in Colombia;
- 3.- Provide recommendations for further financial education in Colombia.

2. Literature review

2.1 OUTLINE OF KEY CONCEPTS AND THEORETICAL FOUNDATIONS IN FINANCIAL EDUCATION

Firstly, this section summarizes the key concepts and main theoretical foundations used within the research process. The following concepts have been important in order to develop the design of the qualitative research:

Financial Education: The financial education is defined by the OECD as the process in which the financial consumers/investors improve their understanding of the financial products, the concepts and the risks, and with the use of information, instruction or advice, they develop abilities and confidence to be

more aware of the financial risks and opportunities take informed decisions, to know where to go for help, and take any effective action to improve their financial well-being (OECD, 2005). However, some authors agree that an individual can be considered financially literate only if he or she is capable enough to apply the knowledge (Moore, 2003). For this reason, it is important to consider the concept of financial behaviour.

Financial Behaviour: The way in which a person behaves will have a significant impact on their financial wellbeing. Behaviour is an essential element of financial literacy; and arguably the most important. The positive outcomes from being financially literate are driven by behaviour such as planning expenditure and building up a financial safety net; conversely, certain behaviours, such as over-using credit, can reduce financial wellbeing (Atkinson & Messy, 2012).

Besides, some authors had described that the behaviour of managers from SMEs also affect the performance of the firm. Stating that *“is very important to consider an organization’s attitudinal behaviours instead of only skills, knowledge or capabilities because the firm owners and employee behaviours and promises may have more effect on firm’s performance”* (Akhtar & Liu, 2018).

Furthermore, several authors mention the great benefits of having financial knowledge, since it impacts on savings and investment decisions, better debt control, better pension plans, a higher participation in stock market (Bianchi, 2018), and a greater accumulation of wealth (Lusardi & Mitchell, 2014). These are concepts to be considered when measuring Financial Education.

Here below are the key concepts that some studies in the literature (and also the OECD) show to be able to evaluate people's knowledge in terms of Financial Education. These key concepts provide a primary guideline about the adequacy of an intervention/education program for financial literacy. The following diagram shows a summary of the parameters to evaluate financial literacy campaigns, based on the theoretical framework:

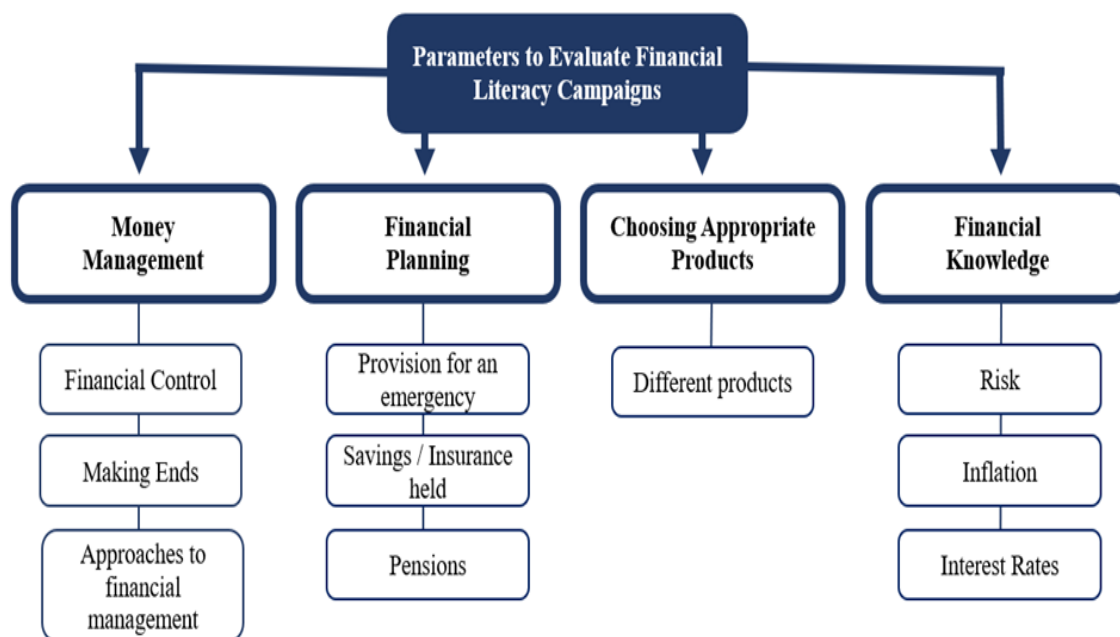


Figure 2. Parameters to evaluate financial literacy campaigns. Source: Self-elaboration based on Kempson, (2010), Atkinson and Messy, 2012, (Sebstad J. et al. 2006, Lusardi and Mitchell, 2014)

The following table describes more deeply the aspects mentioned in the diagram before:

Table 1. Key concepts in financial education

Variables	Description	Source
Numeracy	Capacity to do simple calculations	Based on Aktinson and Messy, 2012, Lusardi & Mitchell, 2014)
Money Management	This covers three areas: financial control; Making ends meet and general approaches to financial management	Based on Kempson, E. (2010)
<i>Financial control</i>	*Whether people have a budget *Whether and how people keep records of their spending. *How accurately people know how much money they have available for daily living costs	Based on Kempson, 2010, Aktinson and Messy, 2012 and Sebstad, J. et al. 2006
<i>Making ends</i>	*How often run short of money and a linked question on actions taken when money runs out. *How easy is to keep up with payments of bills and other financial commitments	Based on Kempson, (2010)
<i>Approaches to financial management</i>	Attitude questions on approaches to financial management: *I am impulsive and buy things even when I can´t really afford them. *I buy things on credit rather than waiting and saving up *I am organized with regard to managing money *I am more of a saver than a spender	Based on Kempson (2010), Atkinson and Messy (2012), Sebstad J. et al. (2006)
Financial planning	This covers provision for an emergency or rainy day; savings/insurance held; financial provision for retirements; financial provision for anticipated expenses	Based on Kempson (2010), Lusardi and Mitchel (2014), Atkinson and Messy (2012)

	such as health care, education or a known event. We have identified four potential core questions in the first two areas, plus a further three attitude questions.	
<i>Provision for an emergency</i>	*How would meet daily living costs if lost the main wage? (or had a substantial drop in income if no income from employment) for three months *How would meet an unexpected expense of a set multiple of monthly income?	Based on Kempson E. (2010), Atkinson and Messy (2012), Sebstad J. et al. (2006), Lusardi and Mitchel (2014)
<i>Savings/insurance held</i>	*How much money is put aside in saving for an emergency? *Types of insurances held	Based on Kempson (2010), Atkinson and Messy (2012), Sebstad J. et al. (2006), Lusardi and Mitchel (2014)
<i>Pensions</i>	*The nature of pension provision identify the money save for your retirement.	Based on Kempson 2010), Atkinson and Messy (2012), Sebstad J. et al. (2006), Lusardi and Mitchel (2014)
Choosing appropriate products	*Whether people shop around before buying financial Products *What product features were considered when making a recent purchase? (ideally the most complex product they have bought)	Based on Kempson (2010), Atkinson and Messy (2012), Sebstad J. et al. (2006)
Financial knowledge	*Ability to weigh up risk and return *Understanding of inflation *Understanding of interest rates	Based on Kempson E. (2010), Atkinson and Messy (2012), Sebstad J. et al. (2006); Lusardi and Mitchel (2014)

¹ Source: own elaboration

3. Methodology

3.1 RESEARCH DESIGN AND DATA COLLECTION

This research project was carried out applying a qualitative methodology. The primary data has been obtained through different types of 11 in-depth interviews with the financial institutions that provide the courses. Furthermore, secondary information was obtained through different international and national reports from studies of financial organizations related with financial education in Colombia.

3.2 DESCRIPTION OF THE POPULATION

This section addresses the institutions that agreed to be part of this research process through in-depth interviews. These institutions have experts in the field of Financial Education who were interviewed. Here below, there is a brief description about the institutions and establish why they are key in this research process.

Opportunities Bank

The Opportunities Bank (Banca de las Oportunidades) is in charge of the financial education for the SMEs in Colombia. This organization was created by the National Government as a program managed

by Bancoldex, a mixed entity in charge of being the second step bank (a bank who provides the resources to a commercial bank to lend for a specific population, in this case: the businesses).

The main purpose of the Opportunities Bank is to promote access to financial services to the low income families and SMEs to reduce poverty, promote social equality and stimulate the economic development in Colombia (Banca de las Oportunidades, 2019). That is how the “Bank of Opportunities Network” was formed by the banks, financing companies, cooperatives with financial activities, micro-credits NGOs and insurance companies and they develop the projects for the financial inclusion in the country.

Banco Cooperativo Coopcentral

The Cooperative Bank integrates the Cooperative and Solidarity sector, specializing in the provision of financial, transactional and agreement services, aimed at the sustainability, projection and consolidation of the sector and of their associates and clients.

It focuses the financial education plan on topics of interest to the cooperative financial activity and to strengthen the management and administration of these institutions. In addition, they also maintain an alliance with the German Confederation of Cooperatives, DGRV, to work virtual courses on cooperatives and solidarity economy through the Coopcentral Training School, which is conceived as a specialized entity for the generation and strengthening of company’s cooperatives. (Banco Cooperativo Coopcentral, 2020)

Cooptenjo: Entidad Cooperativa de Ahorro y Crédito

In the interview with Sergio Andrés Bello, Commercial Manager from Cooptenjo he mentioned that the cooperative has been in operation for 54 years serving the members, created by members, made for members and its products are in accordance with the market niches in which they have influence. It works on the development and fulfilment of people's dreams through savings and credit. The main objective is to provide savings and credit financial services that meet the primary and basic needs of the family nuclei of the members who are linked and those who wish to take the services and products of the cooperative.

He also stated that before the pandemic this entity had three institutionalized Financial Education programs. The first one was focused on the agricultural sector, the second was based on personal finances. And the third one on family finances. However, since the beginning of the pandemic, the development of the courses has not been possible, since the courses were taught in person, due to the objective people, who are from rural places, with little technological education, so these workshops have not been possible during this time. Therefore, the cooperative has currently migrated to a personalized financial education talk at the time of joining the associate into the institution.

Asobancaria

Asobancaria is the most representative union entity of the financial sector, this entity promotes the development of the financial sector through a continuous modernization of the financial sector, it also maintains the public's confidence in the sector, it provides knowledge and tools about the nature and function of the financial activity. And it represents and defends the interests of its members (Nuestra Labor, 2021). Within this institution there are various Financial Education programs on its virtual platform “Saber más, Ser más”, where they work in literacy programs for children, youth, adults and

businessmen to address different topics, to bring this financial knowledge to all levels of the population (Asobancaria, 2021).

Chamber of Commerce

Although usually thought of as a public entity, the chambers of commerce are a non-profit entity, which for their constitution and operation requires authorization from the government. They are in charge of promoting the business development of the region, which will explain the reason why in Colombia each chamber operates individually (Barranquilla Chamber of Commerce, 2014). This is why in Colombia there are 57 chamber and commerce entities, and the association that groups them all together is called Confecámaras (Colombian Confederation Chambers of Commerce). Within the general purpose of the chambers of commerce is to supply commercial information, and in a special way it fulfils the public function of keeping the mercantile registry, that of non-profit entities and the sole registry of proponents; as well as certify on the acts and documents registered in them (Santa Marta Chamber of Commerce, 2014).

The functions that each chamber of commerce each of the chambers of commerce must fulfil, founded in the Camara de Comercio of Barranquilla website (2014) are the following:

1. Serve as an organ of the commerce general interests for the government and the merchants themselves.
2. Carry out economic research on specific aspects or branches of domestic and foreign trade, and formulate recommendations to the state and semi-official bodies in charge of the execution of the respective plans.
3. Keep the commercial register and certify the acts and documents registered therein.
4. Give notice in their bulletins or publicity bodies of the inscriptions made in the commercial register and of any modification, cancellation or alteration that is made of said inscriptions.
5. Collect the commercial customs of the places corresponding to its jurisdiction and certify the existence of those collected.
6. Appoint the arbitrator or arbitrators or friendly composers when requested by individuals.
7. Serve as arbitration tribunals to resolve the differences that the contracting parties defer to them, in which case the tribunal will be made up of all the members of the board.
8. To provide their good services to the merchants to make arrangements between creditors and debtors, as friendly setters.
9. Organize exhibitions and conferences, edit or print studies or reports related to its objectives.
10. Dictate its internal regulations that must be approved by the Superintendent of Industry and Commerce.
11. Submit in the month of January of each year a report to the Superintendent of Industry and Commerce about the work carried out in the previous year and its concept on the economic situation of their respective areas, as well as the detail of their income and expenses.

The different chambers of commerce in Colombia worked separately in their programs and courses to provide the business development of the region, that is why this project interviewed 3 different chambers of commerce, to know the programs that each one of them carries out.

Sparkassenstiftung Alemana

The Sparkassen were set up in Germany over 200 years ago as microfinance institutions for low-income earners. Since then, they have grown into one of the largest financial groups in the world – one that successfully combines outstanding professionalism with a strong social mandate. Tasked with sharing this successful model with developing countries and emerging economies, German Sparkassen Foundation for International Cooperation (DSIK) is bringing financial services to the people who live there.

Ultimately, this is intended to help them become more prosperous and establish stable economic structures of their own (Sparkassenstiftung, 2020).

DSIK assists local financial institutions to manage their businesses in keeping with commercial principles while fulfilling their social responsibilities. (Sparkassenstiftung, 2020)

Banco de Bogota

Banco de Bogota is a financial institution created in Colombia for the market of companies, individuals and the social sector, its objective is to support the growth and progress of its clients through leadership in efficiency, profitability and value generation.

It promotes actions that generate responsible consumption decisions in the citizens regarding the use of their financial products and services. For this reason, they have various initiatives for children, youth and adults such as financial security campaigns, financial freedom conferences and the Mobile Classrooms that travel throughout the country giving classes on basic, business and public finance to various interest groups.

This research takes place in the different institutions that are part of the efforts of Colombia to improve the financial literacy among the SMEs. For the present research, the main participants of the institutions were the Banca de Oportunidades, the Chambers of Commerce and some cooperatives and banks.

3.3. DATA COLLECTION AND DATA ANALYSIS

During the data collection process, the different institutions that had different financial education campaigns (or educational offerings) for Small and Medium Enterprises were also identified. One of the authors of this paper also started a Financial Education course to be able to evaluate and obtain the information of a program organized by the Government called "Financial Analysis" that was carried out in the month of November 2021, during this process it was intended to know in depth the education offered from a Government institution, and also to be able to get in contact with some participants, to make them part of the research and thus to collect more data. However, the course was completely virtual so that the participants in the course could not interact with each other, and it was done autonomously. If the participants had questions, they could ask the instructor about the modules learned during the virtual course, but it was not an obligation to enter into the Zoom meetings. The trainer was mainly for support, because mainly the readings and the virtual exercises provided the inputs for learning.

The questionnaire for the interviews was developed based on different variables to evaluate the financial education according to the parameters to evaluate financial literacy campaigns mentioned and described in the chapter before: Figure 2 and table 1: Parameters to evaluate financial literacy campaigns and Key concepts on financial education (**based on Kempson, 2010), Atkinson and Messy, 2012, (Sebstad J. et al. 2006, Lusardi and Mitchell, 2014).**

Once the questions of the interview guideline were corrected and improved by the second author of this paper, the institutions were contacted by e-mail, including a brief summary of the research process and also an official invitation to be able to conduct an interview virtually. Those e-mails were sent to the different institutions, that had been found in the previous phase, and that offer financial education

campaigns in Colombia. The institutions that answered to the e-mails mentioned and participate in the research interview are listed in the table below. Besides, table 2 shows a list of the type of financial education programs offered by the same financial institutions:

Table 2. Summary of the financial institutions and list of financial education programs offered

Institution	General description	Current financial education programs
Banca de Oportunidades	In charge of the financial education for SMEs in Colombia	<ul style="list-style-type: none"> Financial Literacy Campaigns for Agricultural producers (Presence) Financial Literacy Campaigns for MSMEs (Impact Evaluation)
Banco Cooperativo Coopcentral	Financial provision, aimed at the sustainability, projection and consolidation of the sector, their associates and clients.	<ul style="list-style-type: none"> Virtual and Face to Face models 3 Workshops: <ol style="list-style-type: none"> 1) Family Finance 2) Agricultural Credit Management 3) Microfinance: SMEs
Cooptenjo: Entidad Cooperativa de Ahorro y Crédito	A microfinance that works on the development and fulfillment of people's dreams through savings and credit.	3 Workshops: <ol style="list-style-type: none"> 1) Family Finance 2) Agricultural Credit Management 3) Microfinance: SMEs
Asobancaria	Representative Union of the financial sector in Colombia	<ul style="list-style-type: none"> Entrepreneurial Guru: tools to grow the business not only F.E. Finca: Rural Areas
Chamber of Commerce Huila	<ul style="list-style-type: none"> Business strengthening (not focus on FE) but one of the topic is FE: How to use the fiscal book 	Alliances with microfinances: They provide the courses to accomplish their obligations by law.
Sparkassenstiftung Alemmana	A non-profit entity. Its purpose is to transfer knowledge to allies in different areas, and one of its strategic goals is Financial Literacy.	<ul style="list-style-type: none"> Me and my Finances They adequate the different modules according to their allies' strategies and target group.
Chamber of Commerce Bogota	<ul style="list-style-type: none"> Virtual Courses since pandemic (+13 FE) Financial literacy program for MSMEs (BO) Avanza (Evaluation program): +40 consultants Entrepreneurial dreams (SMEs) Online courses (Micro) Identify the best way to finance your business (Liquidity products, investments) Financial Literacy Cycle (Savings, Budget, access to credit, insurance) 3 x year 	Crear (during pandemic situation): <ul style="list-style-type: none"> -To solve liquidity problems -Generation of knowledge -Closing gaps -Access to credit
Chamber of Commerce Cali	Financial Enlistment Program Increase the skills and knowledge of SMEs to better decision making: through a consultant	Crecer: <ul style="list-style-type: none"> How to keep a cash flow Basic management of company accounts Funds and loans

Banco de Bogota	Financial Institution that support the growth and progress of its clients through leadership in efficiency, profitability, utility and value generation.	A program called “Finances with you”: <ul style="list-style-type: none"> • Mobile classrooms • Virtual workshops • Webinars • Me and my business: MSMEs • Finance for entrepreneurs: Ideas
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¹ Source: own elaboration.

After establishing contact with the institutions, experts from those institutions were called to conduct an in-depth interview, participants that are specifically dedicated to financial education in the country in order to collect the primary data of the research process. Within the interviews, the participants were asked if we could obtain information from the participants who have attended the financial education courses carried out by these institutions in order to conduct the survey on financial education, but in most cases the answer was negative, since they are not allowed to reveal the information of the attendees to the courses (due to data protection issues). This was a negative factor in the research process since it has not been possible to make great progress with financial education surveys, which are of the utmost importance to collect information and be able to answer the research question: Are financial education campaigns in Colombia really effective?

The process of analysis of the interviews was based on codes taken from the scientific literature revised before. After the data collection through in-depth interviews, the aspects which frequently resurfaced were combined into different codes. The codes used are the aspects presented in Figure 2 and table 1: Parameters to evaluate financial literacy campaigns and key concepts on financial education (based on Kempson, 2010), Atkinson and Messy, 2012, (Sebstad J. et al. 2006, Lusardi and Mitchell, 2014)).

4. Results

4.1 SUMMARY OF THE RESULTS

The main results show that the programs that are designed for rural areas of the country do not have all the necessary components that the OECD recommends for a person to be considered financially educated. The financial education offerings carried out in the big cities (offered by the Banco de Bogota, the Chamber of Commerce of Bogota and Cali) provide SMEs with key mechanisms in financial education of great value, according with the components that the OECD recommends. Other important aspects from the results show that the financial education trainings are very short, so that it is not possible to cover all the required topics from the OECD to consider someone financial educated. Furthermore, several participants of the financial trainings are not able to finish due to her/his responsibilities as entrepreneur. Besides, for most of the offerings, there is not an impact evaluation (post-evaluation) about the effect of the trainings regarding the application of the knowledge in financial matters. The following sections give an overview of the main results of the present study, divided in several relevant sections.

4.2 PROFILE OF THE ATTENDEES AND FROM THE TRAINERS

Firstly, when institutions design the educational programs, the characteristics of the target population have been established. Therefore, the educational offerings are designed to target a specific type of participants, as described below:

Profile of the participants:

- Financial education offerings in Colombia were mostly designed for Microenterprises.
- 3 of the institutions stated that their financial education courses focus on SMEs, which are dedicated to traditional business and may be informal.
- Chambers of Commerce, the companies must be legally constituted.
- The Chamber of Commerce of Bogota stated that approximately 50% of the free course's attendees are entrepreneurs and approximately 20% are micro entrepreneurs.

The reasons behind this approach about the target participants for the educational offerings are mainly reactive, proactive or looking for a specific benefit, that means:

- **Reactive:** participants that are having a problem within their business or company and need to bring their financial affairs in order.
- **Proactive:** participants with a desire to learn and apply financials skills in their business.
- **Looking for a specific benefit:** participants looking for a related benefit or looking for getting lower interest rates in their credits.

The profile of the trainers is also part of the design of the educational programs:

Profile of the trainers:

- **Programs for SME´s:** Chambers of Commerce requirements to become a consultant: 1) At least five years of experience advising companies. 2) A postgraduate degree in financial knowledge is required.
- **Programs for Micro entrepreneurs and Entrepreneurs:**
 - The institutions do not require the trainers to have knowledge in finance. 2) Availability of time to develop the workshops.
 - Communication skills, attitude and empathy.
- **Agricultural programs:** trainers of the same community
- **Virtual programs:** The trainers are experts in digital materials to provide interactive, friendly, and useful tools to obtain the knowledge.

4.3 MAIN FINANCIAL GAPS OF THE PARTICIPANTS

Most of the institutions that were approached through the in-depth interviews agree that there are different gaps in the micro entrepreneur participants who attend the Financial Education courses. The most important ones are highlighted below.

Lack of financial planning/follow up

It is stated that one of the main difficulties of entrepreneurs is that they do not perform any kind of formal financial planning and follow up. Generally, they keep the accounts in their heads but they do not document anything. They do not want to have control in such a way, they know that they spend and that in the end should generate a return, and this it is enough for them.

The German Sparkasse Foundation observes that people fail to have the right control of their business's money, since they do not know if there are profits or losses. One main reason for this is that most of them do not have the knowledge for bookkeeping to register their costs and expenses appropriately and therefore to prepare adequate financial statements according with the Accounting standards (and/or also to use appropriate Management and Cost Accounting methods). That is something that was to be addressed and worked on, as by not accounting for the micro-expenses, or accounting for lower business costs than the real ones, they go unnoticed then they do not know for sure the profitability of the business.

Mix of accounts

Another point that most of our interviewees agree on is that micro entrepreneurs do not see the importance of separating personal finances from business finances. The German Sparkasse Foundation affirms that the micro entrepreneur tends to take from the same "bag" to cover the costs of his business and to cover the personal expenses of his/her household, hence he/she does not really know what belongs to the household or what belongs to the business. Asobancaria affirms that this is one of the most common practices of micro entrepreneurs, not dividing the personal budget from the business budget (violation of the business entity accounting principle). Meanwhile, the Bogota Chamber of Commerce affirms that the gap is so big that when an entrepreneur asks for resources through the financing sector for their business, they often use it for personal purposes.

Recognize an own salary

Another important factor that must be worked on with micro entrepreneurs is the importance of valuing their work, or in other words setting their own salary. The reason behind this is that if the owner of a business cannot attend to it, for some external reason (illness, vacations, domestic calamity, etc.), and the desire is for the business to keep running, then a replacement must be paid, which then would

be an over cost instead of a cost that has been planned since the beginning. However, most of the time people see this payment as something unnecessary and do not recognize it to themselves.

Others

To a lesser extent, minor issues were indicated to us such as lack of knowledge of financing aspects, lack of knowledge of financial ratios (or indicators) in general and in costing methodologies.

4.4 MAIN BARRIERS IN THE CAMPAIGNS

Through the present study, the authors found several relevant barriers in the campaigns (or educational efforts) that should be taken in consideration for future improvements in the educational offerings:

- **For agricultural programs:** it was difficult to find a leader with willingness to learn and teach the community
- **About the traditional teaching materials:** for example, only pdf. readings are considered boring by the participants.
- **Lack of interest of the participants in Finance:** 20 out of 100 remain within the course; besides, the interest is not maintained over time.
- **Lack of behavioral practical recommendations in the courses:** Most courses do not follow behavioural economics recommendations.
- **Lack of technology:** Lack of technology knowledge of the participants if the course is online: for example, cell phones are tedious
- **Time:** Not enough time of the entrepreneurs for running a SME and handle a course

4.5 EVALUATION OF THE LEARNING PROCESS

This section summarizes the main results regarding the evaluation of the learning process of the participants. The main results of the evaluation are:

- **One initial evaluation and a final evaluation:** to assess whether the participants increased their knowledge during the course.
- **Satisfaction-type evaluations:** in which participants are asked if they liked the course, if there are improvements to be made, or topics to include.
- **Courses that are evaluated orally:** if there are questions about the knowledge, people would ask during the talk.
- **Impact evaluation,** which is the methodology to get to know if that participant put into practice the knowledge acquired.

Application of the Knowledge Learned

One of the main difficulties of this research paper was to answer the question: Do participants who attend financial education courses apply the knowledge learned in the courses? The difficulty to answer this question was due to the lack of an impact evaluation at the time of the interviews. In other words, none of the institutions evaluated whether the participants who had attended the financial education courses had changed their financial habits sometime after their participation. Hence this question remains open.

The main reasons for not evaluating the courses are:

- 1.- Course participants do not respond when they try to contact them some time later. Even the satisfaction surveys have a very low response rate.
- 2.- If it is not within the desired methodology of evaluation by the institution, they only provide the courses but there is no measurement.

4.6 ASSESSMENT OF THE FINANCIAL LITERACY CAMPAIGNS

In this section it will be evaluated whether the topics addressed in the financial education courses are aligned with the theoretical framework of this paper, so that it can be known if the participants who attend the courses were prepared and educated according to the OECD parameters.

Institutions/Variables	Money Management			Financial Planning			Appropriate Products	Financial Knowledge			Total Points
	Financial Control	Making Ends	Approaches to financial management	Provision for an emergency	Savings/insurance held	Pensions	Learn different products	Risk	Inflation	Interest Rates	
Weight	8,33%	8,33%	8,33%	8,33%	8,33%	8,33%	25%	8,33%	8,33%	8,33%	100%
Banca de Oportunidades	✓	✓	CBN*	✓	✓	x	✓	x	x	x	58%
Banco Cooperativo Coopcentral	✓	✓	CBN*	x	x	x	✓	x	x	✓	50%
Cooptenjo: Entidad Cooperativa de Ahorro y Crédito	✓	✓	CBN*	x	x	x	✓	x	x	✓	50%
Asobancaria	✓	✓	CBN*	✓	✓	x	✓	x	x	✓	67%
Cámara de Comercio Bogotá	✓	✓	CBN*	✓	✓	✓	✓	✓	✓	✓	92%
Camara de Comercio Cali	✓	✓	CBN*	✓	✓	✓	✓	✓	✓	✓	92%
Banco de Bogotá	✓	✓	CBN*	✓	✓	✓	✓	✓	✓	✓	92%

*CBN = Cannot be measure

Figure 3. Assessment of the Literacy Programs. Source: own elaboration

Figure 3 shows the analysis of the programs of the different institutions that provided us with the material on financial education provided in their campaigns (see Appendix 2: Topics addressed in the financial education programs). The institutions and the programs analysed are:

1. Banca de Oportunidades (Evaluation of the Financial Education Program for MSMEs)
2. Banco Cooperativo Coopcentral (Evaluation of the program for Micro enterprises)
3. Cooptenjo: Entidad Cooperativa de Ahorro y Crédito (Evaluation of the program for Micro enterprises)
4. Banco de Bogota (Evaluation of the current programs)
5. Asobancaria (Evaluation of the Finca program)
6. Bogota Chamber of Commerce (Evaluation of the current programs)
7. Cali Chamber of Commerce (Evaluation of the current programs)

Each of the institutions were evaluated with the material or information that they provided us for the research. In the case of Asobancaria, since the Entrepreneur Guru was linked to the programs of the Bogota Chamber of Commerce, this project was not evaluated, only Finca, which was another program mentioned in the research.

The topics that were evaluated: Money Management, Financial Planning, Appropriate Products and Financial Knowledge. Each of these variables was given a weight of 25%, i.e., if each of the financial education programs has these four components they would be considered an effective financial education program.

In the **Money Management** component, the **Financial Control, Making Ends and Approaches to financial management** variables are evaluated. Each of these variables has a weight of 8.6%. As pointed out in the framework, the Financial Control category evaluates the concepts of saving, budgeting, investment and expense control. Making Ends evaluates concepts on credit management, among others, and the Approaches to financial management component is found with the acronym CBN (cannot be measured), since it refers to the financial actions that people take.

In Figure 8, one can see that all the Financial Education programs evaluated have the Financial Control and Making Ends variables from the theoretical side.

Within the **Financial Planning** component, there is the variable of **Provision for an emergency, insurance, and pensions**. This Financial Planning component is not covered by Banco Cooperativo Coopcentral or Cooperativa Cooptenjo. On the other hand, neither Banca de Oportunidades nor Asobancaria mention that their programs include topics regarding pensions.

Related to **Choosing Appropriate Products**, this section evaluated whether the institutions provided course participants with different types of financial products so that people could make more accurate and informed decisions at the time of requesting a product or service. In this sense, all the institutions guided people to learn about different financial products.

Finally, the last evaluated component was **Financial Knowledge**, where specifically three financial topics were evaluated: If they include in their programs the topics of **financial risk, inflation, and interest rates**. Taking into account the risk and inflation variables, only the Bogota Chamber of Commerce, Cali Chamber of Commerce and Banco de Bogota institutions included these topics in their courses. Besides, the topic of interest rates was only not addressed by Banca de Oportunidades, or at least it was not mentioned in the interview that was held, because they didn't provide the material they just mentioned the topics held in their program.

From the assessment and analysis above, one can conclude that the programs that are designed for rural areas of the country do not have all the necessary components that the OECD recommends should be managed for a person to be considered financially educated.

The campaigns carried out in the big cities (offered by the Banco de Bogota, the Chamber of Commerce of Bogota and Cali) provide SMEs with key mechanisms in financial education of great value, according with the components that the OECD recommends. Therefore, people who take the Financial Education courses offered by the mentioned institutions, learn the necessary concepts to be able to develop their company and, in the same way, the region.

5. Discussion

This section approaches a general discussion of the response of the different research questions of the present research. In addition, we used the variables that were presented in the research framework to evaluate if the programs that exist in Colombia provide an adequate financial education to Small and Medium Enterprises. And finally, we address the direction for future research.

5.1 SITUATION OF THE FINANCIAL EDUCATION PROGRAMS FOR SMEs IN COLOMBIA - in RURAL AREAS

The current situation of the Financial Education programs in Colombia is presented below.

In order to be able to evaluate the current situation in Colombia in terms of financial education, it must be taken in consideration that there are different types of programs, which have previously been divided into programs that are run in the cities and the programs that are taught in rural areas of Colombia. This is relevant as according to a study to classify provinces in Colombia carried out by the Economic Commission for Latin America and the Caribbean (ECLAC), two thirds (65.5%) of the provinces of Colombia are rural. They comprise 80% of the national territory and a quarter of the national population lives in rural areas. Those of intermediate level represent a fourth of the total number of provinces and the same proportion of the national population, while they comprise 16% of the territory; and finally, the urban ones account for 9% of the provinces and, with 3% of the national area, are home to half of the total population.

In addition to this, Asobancaria (2021) mentioned that in macroeconomic terms the primary sector for the year 2021 represented 14.1% of GDP, and generated 16.6% of national employment, hence the importance of addressing Financial Education programs in the rural areas.

As mentioned above, several of the institutions that were interviewed have a financial education program for this population, from the small microfinance institutions interviewed, to important private banks such as Banco de Bogota or public entities such as Asobancaria.

For example, in the case of Asobancaria, it is intended that through the FINCA program this institution will provide a tool with the transforming power to change current production dynamics and dignify farming activity as a form of entrepreneurship.

Nevertheless, financial education topics in these areas are still very incipient, since most of them only include topics related to income, credit, investment and costs. In other words, they focus more on money management, but they leave out issues such as risk insurance, inflation, etc.

Besides, it must be taken into consideration that in Colombia the average years of education in a rural area is 5.5 years per student, according to DANE data (National Administrative Department of Statistics). Therefore, financial education programs in these areas cannot contain topics of great difficulty for the attendees, since they already present a problem of general education.

For this reason, as it has been mentioned above, the financial education programs for these areas of the country are being designed so that participants from the same communities can transmit knowledge in a clear, participatory manner and with friendly visual aids, where the new knowledge is shown to the people in a clear, easy and understandable way.

5.2. SITUATION OF THE FINANCIAL EDUCATION PROGRAMS FOR SMEs IN COLOMBIA – in BIG CITIES

The Financial Education campaigns that are taught in the cities could be described as more complete than their counterparts, due to the Chambers of Commerce located in the big cities which constantly provide various training on finances for whoever is interested in them.

Financial education courses do not only cover a single topic, since entrepreneurs have the possibility of accessing different virtual or face-to-face courses that, unlike rural programs, range from basic topics

in finance to in-depth business training such as the consultancies carried out by the country's Chambers in the different cities.

It is important to highlight that during these consultancies, specialized people help establish financial plans and business goals, among other issues for small business managers who require them, a contrast very distant from what is lived in the most remote areas of the country, where the population has been drastically affected in terms of the historical violence.

The Chambers of Commerce operate with the income of the different companies created in their regions and pay taxes according to their performance so that the Chambers can carry out their work of control and business training. For this reason, the Chambers of Commerce differ in their activities depending on the number of companies that are linked to it.

Additionally, the main banks also operate in the main cities of the country, which by law are obliged to provide their clients with financial education, thus the large cities of Colombia have more robust programs.

5.3. SITUATION OF THE FINANCIAL EDUCATION PROGRAMS FOR SMEs IN COLOMBIA – CULTURAL BARRIERS

Usually, financial culture is conceived as synonymous with education and information about finances, but this is far from reality. Education refers to thinking about training processes, acquisition and interpretation of information, attitudes and skills for the development of processes and procedures for an understanding that allows making adequate financial decisions, which are transmitted through formal educational processes; while culture, from the organizational perspective, evokes behaviour patterns that are transmitted from one generation to another as the appropriate or functional ways of thinking or doing things (Hogan & Coote, 2014; Pedraza-Álvarez et al., 2015), and this not only happens in the organization, but also comes from the family and the environment in which each person develops.

Although several efforts have been made by different institutions to strengthen Financial Education in Colombia, it is still an issue that is not very deep within the culture. As Jorge Hurtado from the Bogota Chamber of Commerce mentions, it is one more an issue of awareness because the training mechanisms are there, but one must know how to sell the importance of Financial Education for sustainable business growth.

Similarly, Juan Diego Figueroa from the Cali Chamber of Commerce, mentions that in the business growth process, entrepreneurs are very focused on the tension and the day-to-day actions of the company, meanwhile the financial part, the accounting part of numbers is something that the entrepreneur is bored or with no will to train in this area. They consider it only the responsibility of the accountants for the taxes of the company. But it is very important that the entrepreneur is very grounded in the financial state of the company, because ultimately, he/she is the leader who must make business decisions.

The issue of culture is even more complex than that of education. In the case of financial culture, it is understood as the set of formal and informal tools, the knowledge of norms, customs, habits,

knowledge, attitudes, values and even feelings that people involve in obtaining and applying financial tools. (Trujillo Valdiviezo et al., 2022)

Below are the most highlighted trends in Colombian financial culture, according to those interviewed:

Lack of savings

One of the main trends highlighted in Colombian culture, according to the experts cited above, is its lack of savings, since most people with poor financial education spend all they earn, even more if people have a credit card. Additionally, the majority of people who save use the money for vacations, to buy material “stuff”, means of transportation or a home, but there is another proportion that does not know what to do with the money saved.

Mishandling of business accounts

As mentioned before, one of the main shortcomings of the entrepreneurs' behaviour before entering financial education courses is the crossing of personal accounts with business accounts. Thus people do not know for sure the profitability of the business, by not knowing its costs, its expenses, among other aspects.

Mishandling of credits

As part of the Colombian financial culture, people work around a lousy economic model which leads to generating a new financial obligation every time another one needs to be covered, causing expenses to be higher and higher, which prevents any kind of investment. Unfortunately, this may result in the closing or termination of a business, which in turn means that any income will not be counted for a period of time, but the obligations acquired will.

The non-investment

There are two reasons behind the non-investment behaviour in Colombia. First one is not having a good profit due to high debt (previously discussed), which does not allow the entrepreneur to expand their business. The second one is a mind set in which they simply do not desire to expand and they wish to stay with only a small business.

Use of informal products

Additionally, it should be created a culture about the use of formal products. As it was mentioned by the Bogota Chamber of Commerce and it was mentioned above, the entrepreneur excludes himself due to ignorance of the formal financial system, a condition which pushes people to resort to informal methods such as loan sharks, pyramids and other extreme financing measures. These methods bring serious consequences, not only in financial matters, but also in the integrity of people.

5.4. SITUATION OF THE FINANCIAL EDUCATION PROGRAMS FOR SMEs IN COLOMBIA – TECHNOLOGICAL LITERACY

Finally, one of the points to mention within the situation of financial education in Colombia is about technological education. People must have certain knowledge to be able to make progress in their SMES, since this is the way for people who live in remote areas from the center of the country to access the most robust financial education campaigns found on the Internet. Nevertheless, limitations such as

internet connectivity in rural areas, the low use or access of smartphones by farmers makes it difficult to obtain financial information.

The above refers just to access to financial education courses and training, however there are also technological tools that help and support the businesses more efficiently on a day to day basis.

6. Conclusions and Recommendations

The main results show that the programs that are designed for rural areas of the country do not have all the necessary components that the OECD recommends for a person to be considered financially educated. The financial education offerings carried out in the big cities (offered by the Banco de Bogota, the Chamber of Commerce of Bogota and Cali) provide SMEs with key mechanisms in financial education of great value, according with the components that the OECD recommends. Other important aspects from the results show that the financial education trainings are very short, so that it is not possible to cover all the required topics from the OECD to consider someone financial educated. Furthermore, several participants of the financial trainings are not able to finish due to her/his responsibilities as entrepreneur. Besides, for most of the offerings, there is not an impact evaluation (post-evaluation) about the effect of the trainings regarding the application of the knowledge in financial matters.

The results of the present study added value to financial education in Latin America, especially in Colombia. Therefore, here we present several recommendations to improve the financial literacy campaigns (or financial educational offerings) mainly offered by financial institutions in Cali, Colombia, but in general, for the context of Latin America and worldwide:

- The **financial education** should start already at an early age, within the programs of the basic primary education.
- About the **length of the financial education programs**: the average duration of workshops offered were only 5 hours. According with the Sparkasse institutions: financial education cannot consist in a single workshop, this does not result in a change in the behaviour of the participants/target group.
- **Awareness in the culture regarding financial education**: The SMEs have usually no willingness to be trained in this area. Therefore, it should be created a culture about the importance of the financial knowledge for managing any company.
- **Impact evaluation**. Follow up regarding the real impact of the courses in the participants is very difficult to achieve. The financial institutions really don't know about the change in the behaviour of the participants through the financial education offered.

The aspects mentioned before are relevant recommendations from the experts of the different institutions in Colombia. They all maintain that Financial Education is of great importance for the Nation and that it greatly benefits society, but it is necessary to dive deeper into certain topics to obtain better results.

When the Financial Education should be boarded in Colombia

Most of the interviewees agreed that the issue of Financial Education should be considered from an early age and taught from basic primary education. As stated by César Torres of the Huila Chamber of Commerce, there are still a great number of people in the Colombian society that are part of the agricultural society, the society of the countryside, whose level of schooling ends in basic primary. These people are dedicated to producing from a very early age, but if that Financial Education is taught from this early school, it will stay with them and a change can be observed in Colombian society, since no matter how early they leave the educational system, that financial knowledge they would acquire would remain for their productive units.

Due to this reason, Deisy Solano observes that it must be a commitment from the institutions, and a commitment from the Government, to be able to reach not only micro-entrepreneurs, but also start working with children and young people to address these issues. She considers that the panorama of the country and of the microentrepreneurs would be different if the current adult population had been provided with financial education programs from educational institutions and if these tools had been incorporated from an early age.

Financial Literacy and Financial Inclusion

It was also identified that Financial Inclusion and Financial Literacy are two issues that must go hand in hand. It cannot be thought that a better well-being in society is only achieved by including people in the financial system, just because they already have a credit card, or because a person has a savings account. It should be borne in mind that Financial Education is equally important to be able to make good use of financial products and services, since misuse of them would only cause an issue for people and not a benefit. In other words, promoting responsible inclusion.

Length of Financial Education programs

Currently most of the Financial Education courses taught by the institutions have an average duration of 5 hours, or in other words half of a day. Usually they meet with the entrepreneurs/businessmen/businesswomen to strengthen their knowledge on financial issues. Nevertheless, as Deisy Solano Gómez mentions, despite the fact that interventions are being carried out, Financial Education cannot consist of a single workshop. The intervention with the target population must be longer in order to achieve a change in behaviour, as it is not probable that a person with a five-hour course will have a change in their life.

Impact evaluation

Finally, as it has been mentioned before, most experts consider that it is important to be able to know the impact that these Financial Education issues generate in society. Additionally, several of the programs taught share the idea, such as Asobancaria, that a person may learn a lot, but that is not the best measure, as knowledge is one thing and changing habits and attitudes is another. Therefore, they try to reach the population with behavioural experts to achieve the desired change of habits. However, it is very complicated to follow up, since several of the interviewees work through allies, which limits them in carrying out follow-up and, as mentioned, the entrepreneur usually does not respond again after a while, to be able to know if he has changed his behaviours and habits regarding finances.

Recommendations: Impact evaluation

One of the main findings of this research project is the lack of impact evaluation assessments within financial education programs. For this reason, the respective recommendations are presented below to the sectors that influence the subject of Financial Education.

Academy. It is important to look for different ways to assess impact evaluations for the current times. At this time, due to the increase in data protection and due to the difficulties of promoting the interest of the participants in completing the evaluations after the programs are completed, there has to be an “out of the box” thinking to be able to create different methodologies or studies and then be successful in this goal. As it was mentioned before, a combination of psychology, behavioral economics, or incentive could be addressed to make sure the participants put into practice the knowledge acquired and it would be left open for later researchers.

Government. It is important for them to modify or expand the current laws, so it does not only include the financial literacy campaigns' obligation to the financial institutions' consumers but also includes the impact evaluations of them. This is crucial to make sure that this final step is generally performed in the whole country, as by now, it was not observed from the financial institutions to be heading in this direction, as they are already complying with the laws.

Financial Institutions. The relevance to make the effort to perform these impact evaluations. They are the only ones who would have the easiest way to develop them, as they already have the personal and contact information of the participants. The main challenge is the resources that would be needed to perform this evaluation not only in the short term but in the middle and the long run, which is the most important one.

Chambers of Commerce. Finally, to the chambers of commerce, they do have the same advantage as the financial institutions, which is the contact information of all the companies and individuals that are subscribed to the chamber of commerce. Then, the recommendation is to use this information to board the impact evaluation, not only for the financial education program but for all their programs.

Recommendations: Methodology of Financial Education programs

The recommendations in terms of the methodology will be addressed in a general way for the institutions that carry out financial education campaigns for small and medium-sized companies.

Length of the courses. Financial education programs must be long-term, with a great variety of courses as there is a wide range of topics in which a person must be trained. However, currently several of the courses last only five hours, thus the person does not grasp the knowledge completely and therefore it will be unlikely that they apply it in their day-to-day. For this reason, it is necessary to have contact with the participants who attend the courses to provide them with recurring training on financial matters, so that they do not lose interest at the end of the courses.

New materials. Furthermore, financial education programs must change from traditional courses such as PDF readings, and master classes, among others, to dynamic courses, with clear and interactive examples where participants can feel comfortable while learning and not with boring methods. In this way, the participants in the courses will want to continue participating in the following courses carried out by the institution that held the Financial Literacy Campaigns.

Behavioral Economics. In terms of methodology, the recommendation is that the institutions that offer financial education courses should have experts in behavioral economics within their program developers team so that the attendees, after receiving the necessary tools for their business, can use them, execute them and put them into practice. This can be of great relevance because in most courses in Colombia since impact measurement is not carried out, it is necessary to try to guarantee that people put the acquired knowledge into action.

Regarding Financial Literacy and Financial Inclusion

A recommendation for further research in this topic is to remember that the topics of financial inclusion and financial literacy go hand in hand. In most of the reports published by the government and that were addressed previously, they state how the financial inclusion of the country has been improving. However, it is important when reading this information to inquire what is the measure being used to state this. A measure that was used previously was just the number of ATMs available for a population, which does not necessarily mean that the people are already using the financial resources or most importantly, for better well-being. Then, it is important for these reports and for other researchers addressing the financial inclusion topic, to complement it with the financial education factor. If the population suddenly has access to credit cards, loans, credits, etc, it is irresponsible to think that inherently there is an improvement in their well-being. As it was shown in the results, sometimes people take loans that cannot pay, or it dig themselves into credit debt with goals that were not the ideal ones.

Implications for further research directions

As for future research, it would be of great importance to be able to carry out a quantitative impact evaluation to know if the financial education courses are effective for the people who attend the courses in Colombia. This will be the main gap in the current literature: to know if people are really applying the knowledge they have learned. However, this is very complicated to evaluate if one is outside an institution that provides the courses.

In addition, another direction for future investigations is to be able to make an in-depth evaluation of the financial culture in Colombia and how to change these patterns by generating awareness in people. The current patterns have taken root in society and a cultural change is required to achieve economic development and significant welfare.

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Appendix 1: Interview Guidelines

Interview Guide for Institutions that develop Financial Literacy Campaigns

1. What is the main purpose of the Institution where you work?
2. What is the main purpose of the area in which you are working?
3. What is your main function within this area?
4. In Colombia, small and medium-sized companies generate approximately 65% of jobs, and are responsible for 30% of the Gross Domestic Product (GDP). In Colombia, there is a 70% probability that a company will fail in the first five years of operation. What kind of campaigns do you know that your institution has focused on this niche?
5. Scientific studies have found that one of the main reasons for the closure of SMEs is the lack of financial education.
(If it is a financial institution) In Colombia, financial institutions are obliged to offer financial education to their users. Can you tell us about the programs carried out? Its objectives, population, etc.
(If it is not a financial institution) Do any of the programs mentioned have this objective of carrying out financial education?
6. What is the profile(s) of the people who most enter those programs?
7. What do you consider to be the greatest lack of knowledge of the program participants?
8. What is the greatest need or the reason they came? Is it proactive or reactive?
9. What is the knowledge or strategy that the participants like the most or are they excited to know?
10. After the course of Financial Education, is it reflected in actions within the institution? Any loan or financial service that people decide to access more frequently?
11. Do you know if the institution has created any product or service because of the interaction with the participants to those programs?
12. We know that it is an obligation to offer this type of programs. Do you consider that these types of programs benefit society? Why?
13. Of the people who enter the financial training courses, what is the percentage of the program participants that you know have been of great help or effectiveness for their SME?
14. Is it possible to make the connection with the success stories?
15. How is the learning assessed within the course? Exams, workshops, others?
16. What is the profile of the people who provide financial education programs? Who are they?
17. After the financial education program, is there any follow up given to the course participants?
18. Is it possible to obtain the study plan of the financial education program?

Appendix 2: Topics addressed in financial education programs

This appendix addresses the different topics taught in financial education courses by each of the institutions that provided the information about their courses performed in Colombia.

Banca de Oportunidades (Opportunity Bank)

The program that is currently being developed in the institution called the Financial Literacy Program for MSMEs, is divided into 3 modules, The first module addresses the topic of managing the business and deals with the topic of separating the business with household accounts. Additionally, a single costing and pricing methodology is presented. The second module is about the subject of savings and insurance which is generally explained in order to understand the concept of insurance and the existence of insurance for SMEs (which is usually ignored).

Finally, the third module is related to the issue of credit. It is focused on financial behavior or the appropriate behaviour when taking out a loan (the before, during and after process), on teaching on understanding the financial system and explain that it is not only the banks that lend, but that there is a whole network of microfinance institutions which have a different perspective on how to define the risk of each entrepreneur. Additionally, it has some cross-cutting issues such as digital payments and consumer protection.

Banco Cooperativo Coopcentral y Cooptenjo Entidad Cooperativa de Ahorro y Crédito

In the case of these two entities, they shared exactly the same methodology and information that is being taught in their financial literacy programs, since the Coopcentral Cooperative Bank trained Cooptenjo in the methodology "Training of trainers" to make them able to provide Financial Education courses. These are the topics that they used in their financial courses that are established in their financial booklet to train people:

Management of agricultural credit: this course includes topics like income, costs and the quota that must be provided for credit. This also includes the amount to be financed, interest rates, associated costs incurred by the cooperative in reviewing the loan application and providing services, the grace period, amortization and term. The positive and negative consequences of using credit for investment are also discussed.

The cash flow tool: it evaluates the income, the fixed and variable costs of the entrepreneurs in detail in order to rate the financial situation of the business in general.

Asobancaria

Among the financial education programs mentioned by Asobancaria, two of them stand out: the first one focused on the rural population, called FINCA, and the second one, "Entrepreneurial Guru".

FINCA has learning modules on savings, budgeting, investment and financial products and services. It has two modules on the green farm economy and planning for small producers, hence students in the

program have the tools to opt for production methodologies that protect and improve rural livelihoods and social welfare.

On the entrepreneurial Guru side, it has a virtual platform through the Asobancaria website where different financial education topics are addressed. However, when someone tries to enter the financial education courses the page directs them to the course of the Chamber of Commerce of Bogota. In other words, the Gurú Emprendedor page does not have its own financial education courses.

Bogota Chamber of Commerce

Virtual courses

The virtual courses from the Bogota Chamber of Commerce addressed several topics they have in the web page more than 13 programs exclusively for financial literacy that last between 2 to 8 hours each course. The course are the followings:

1. Understand the fundamentals of accounting and finance
2. Manage your company's accounting, a general vision
3. How to keep accounts of your business?
4. Set cost and prices in your company
5. How to improve the liquidity of your business?
6. Design your economic and financial plan
7. Analyze the financial statements of your company
8. Identify the best way to finance your business
9. Design your economic and financial plan
10. How to finance your business through the financial system
11. How to raise capital during early stages
12. Business Financial Education
13. How to finance your business plan?
14. Venture Capital & Investment Summit Latam
15. Sector route "Tools to strengthen the competitiveness of companies in the KPO sector - Consulting"
16. Financial viability for internationalization

Financial Literacy Program for MSMEs

One of the programs has been addressed previously in the Banca de Oportunidades section because they work together in this project.

Consultant assistance from the CCB

In this section it depends on the need that the SME requires to receive the specific support in the area that is struggling the moment the firm approaches to the Chamber.

Identify the best way to finance your business (Presence)

This course is divided in four modules:

1. The first one is about accessing resources through financing, through the traditional financial system.
2. The second module is about how to obtain liquidity, through factoring and its explanation.
3. The third part is alternative financing mechanisms.
4. The last one addressed the investment issues.

Financial Literacy Cycle:

In this program the Chamber of Commerce teach the participants:

1. Ways to approach the financial system.
2. The rights and duties in the financial system.
3. How to save effectively
4. How to keep a good budget.
5. How to access credit
6. How insurances work

Cali Chamber of Commerce:

As previously mentioned, the Cali Chamber of Commerce divides entrepreneurs according to internal parameters in order to provide them with the necessary tools to strengthen them as entrepreneurs.

As it was addressed in the Entrepreneurial Strength Unit (UFE), the purpose of this program is:

1. That the entrepreneur improves his or her business plan.
2. For the entrepreneur to maintain a cash flow in his or her business.
3. That the entrepreneur has a basic management of the company's accounts.
4. That the entrepreneur knows about funding institutions and how to get to them.

The other level of the pyramid is the Financial Enlistment Program (Programa de Alistamiento Financiero - PAF), which is based on a mixed methodology through virtual courses and personalized accompaniment, in which an expert consultant helps the company to heal the financial gaps that the entrepreneur presents at the time. The virtual courses on financial education are the following:

1. How much do you know about the invoicing system?
2. Financial Enlistment
3. Accounting and basic finances: The importance of accounting in business, basic financial statements, break-even point and budgeting.
4. Boosting your cash flow: In which the topics of money fundamentals, managing financial resources to avoid waste, increasing sources of income, learning to invest, reflection on insurance, etc. are addressed.
5. Financial Solutions Program: Topics such as corporate finance, getting to know the Fintech industry, how can I finance myself, what tools do the CCC has, etc. are addressed.

Appendix 3: Regarding whole transcription of the interviews

Note: Due to limitations of space for the present paper, the whole transcription of the interviews (in original language Spanish and then translated to English) conducted has not been included in this discussion paper. For any questions related, please contact the authors.