

The Financial Literacy of Micro Entrepreneurs in South Africa

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ABSTRACT The research investigated the level of financial literacy of the owners of new micro-enterprises in South Africa. This study used financial planning, analysis and control, book-keeping, understanding of funding sources, business terminology, finance and information skills, use of technology and risk-management to measure the financial literacy of entrepreneurs. Data was gathered through the use self-administered questionnaire in a survey. A combination of dichotomous and Likert scale questions were used for the survey. Descriptive statistics was used for data analysis. The results suggest a low level of financial literacy by the owners of new micro-enterprises. Recommendations to improve financial literacy are suggested.