





“Exploring the relationship between financial education and personal finance management in Lima, Peru”

AUTHORS	Julio Alonso Burga-Morales  Franklin Cordova-Buiza  
ARTICLE INFO	Julio Alonso Burga-Morales and Franklin Cordova-Buiza (2025). Exploring the relationship between financial education and personal finance management in Lima, Peru. <i>Knowledge and Performance Management</i> , 9(2), 18-29. doi: 10.21511/kpm.09(2).2025.02
DOI	http://dx.doi.org/10.21511/kpm.09(2).2025.02
RELEASED ON	Wednesday, 02 July 2025
RECEIVED ON	Friday, 29 November 2024
ACCEPTED ON	Thursday, 15 May 2025
LICENSE	 This work is licensed under a Creative Commons Attribution 4.0 International License
JOURNAL	"Knowledge and Performance Management"
ISSN PRINT	2543-550
ISSN ONLINE	2616-3829
PUBLISHER	LLC “Consulting Publishing Company “Business Perspectives”
FOUNDER	Sp. z o.o. Kozmenko Science Publishing



NUMBER OF REFERENCES

47



NUMBER OF FIGURES

0



NUMBER OF TABLES

9

© The author(s) 2026. This publication is an open access article.



BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10,
Sumy, 40022, Ukraine
www.businessperspectives.org

Received on: 29th of November, 2024

Accepted on: 15th of May, 2025

Published on: 2nd of July, 2025

© Julio Alonso Burga-Morales, Franklin Cordova-Buiza, 2025

Julio Alonso Burga-Morales, B.Sc.,
Business Faculty, Universidad Privada
del Norte, Peru. (Corresponding
author)

Franklin Cordova-Buiza, Master,
Department of Research, Innovation
and Sustainability, Universidad Privada
del Norte, Peru.

Julio Alonso Burga-Morales (Peru), Franklin Cordova-Buiza (Peru)

EXPLORING THE RELATIONSHIP BETWEEN FINANCIAL EDUCATION AND PERSONAL FINANCE MANAGEMENT IN LIMA, PERU

Abstract

Promoting effective personal finance practices is crucial for individuals' long-term financial well-being. Financial education equips people with the knowledge and skills to make informed decisions and achieve financial stability. This study investigates the relationship between financial education and personal finance among residents of Lima, Peru, a context characterized by limited financial inclusion and low literacy levels. The research followed a quantitative, cross-sectional, and correlational design. A validated questionnaire was administered to a random sample of 456 individuals aged 18 to 65 during March and April 2024. The survey focused on financial management, use of credit, planned consumption, and investment and savings. Spearman's rho correlation was employed due to the non-normal distribution of the data. The results revealed a strong positive correlation between overall financial education and personal finances ($Rho = 0.726$, $p < 0.001$). Notably, the dimension of investment and savings showed the highest correlation with personal finance ($Rho = 0.745$), followed by credit use ($Rho = 0.642$), financial management ($Rho = 0.518$), and planned consumption ($Rho = 0.458$). These findings highlight the relevance of financial education in fostering responsible economic behavior and financial stability, particularly in emerging economies. The study underscores the need for comprehensive financial education programs to enhance citizens' capacity to manage their resources effectively and mitigate risks such as over-indebtedness and lack of savings. Future research should investigate additional socioeconomic variables and the long-term impact of targeted financial education initiatives.

Keywords

financial literacy, investment, savings, credit, budgeting, Peru

JEL Classification

A20, D14, I22

INTRODUCTION

In today's society, people need to acquire financial literacy to properly manage their income, spending, and investments, which contributes to their long-term well-being and quality of life (Mahendru et al., 2022; Mateo-La Rosa et al., 2024). According to the World Bank (WB, 2022), approximately 2.5 billion people do not have access to formal financial services, and 75% of the poor lack bank accounts; therefore, financial inclusion plays a key role in reducing poverty and fostering prosperity. Globally, there is a growing awareness of the need to promote positive changes in economic behavior and improve the financial literacy levels of individuals and households (Bohorquez-Isidro et al., 2024). This awareness stems from several factors, such as economic challenges and evidence of insufficient levels of financial literacy, which have negative effects on individuals and households (OECD, 2005).

Similarly, Demertzis (2021) argues that at least 47% of women worldwide have access to the services of a banking institution, while men



This is an Open Access article, distributed under the terms of the [Creative Commons Attribution 4.0 International license](https://creativecommons.org/licenses/by/4.0/), which permits unrestricted re-use, distribution, and reproduction in any medium, provided the original work is properly cited.

Conflict of interest statement:

Author(s) reported no conflict of interest

have 55% access, representing a 7% gender gap. In addition, a study conducted by the pollster S&P Global (United States) argues that men have 35 percent better financial literacy compared to 30 percent of women. In Peru, a report by the Superintendencia de Banca, Seguros y AFP (SBS, 2019) indicates that 87% of the adult population at least knows some financial product, 45% use savings and credit products, and the products most identified by Peruvians are savings accounts, with 75%, credit cards, with 63%, and current accounts, with 52%. Moreover, only 24% of Peruvians have a good level of financial literacy (BBVA, 2019; Salazar-Rebaza et al., 2024).

1. LITERATURE REVIEW AND HYPOTHESES

There are several theories formulated on financial education and personal finance in scientific literature. Financial education refers to the body of knowledge, skills, and attitudes needed to make informed and responsible financial decisions (Hastings et al., 2013). Financial education also involves understanding fundamental concepts related to money, such as saving, investing, budgeting, borrowing, and long-term financial planning (Kaiser et al., 2022; Cordova-Buiza et al., 2022). In this sense, Zhang et al. (2023) point out that financial education seeks to empower people to make appropriate financial decisions and avoid problems such as over-indebtedness or a lack of savings for emergencies.

Also, within the scientific field, there are the theories of financial literacy by Lusardi and Mitchell (2014) and the theory of financial behavior by Thaler and Sunstein (2008), each of which has focused on a relevant position to better understand and comprehend financial education. Along these lines, Rabbani et al. (2022) argue that financial education is a continuous learning process that spans all stages of life. It starts from childhood, teaching children basic concepts about money and how to manage it (Zhang & Xiong, 2020). As people grow older, financial education becomes more complex, addressing topics such as credit management, investing in the financial market, and planning for retirement (Rodríguez-Raga & Martínez-Camelo, 2022; Machuca Vilchez et al., 2023). Financial education also involves developing practical skills, such as budgeting, risk analysis, and evaluation of financial products and services (Lusardi, 2019).

On the other hand, personal finance refers to the study and management of the financial aspects of an individual's or family's life. It includes

planning and monitoring personal income, expenses, savings, investments, and debts (Urban et al., 2022; Hasan et al., 2021; Lind et al., 2020). Personal finance seeks to optimize the use of money to achieve short- and long-term financial goals, such as home ownership, children's education, retirement, or financial security in case of emergencies (Panos & Wilson, 2020; Arambulo-Dolorier et al., 2023; Goyal & Kumar, 2020).

Furthermore, this theme emerges from investment portfolio theories (Markowitz, 1952), the theory of market efficiency (Fama, 1970), and the theory of financial behavior developed by Thaler (1999). In the same vein, Wilson et al. (2020) argue that personal finance also involves the acquisition of skills and knowledge to make informed financial decisions. This includes understanding basic concepts such as budgeting, credit management, savings, investment, and fiscal planning (Arce-Cruz et al., 2023; Klapper & Lusardi, 2020).

In the review of the literature, several important studies were identified. Johan et al. (2020) investigated university students' financial knowledge, attitudes, and behaviors. Conducted in 2015, their study surveyed 521 students from Bogor Agricultural University in Indonesia. The results indicated that, after controlling for other variables, the personal finance course had a positive and statistically significant impact on students' financial literacy. However, no meaningful effect was found on the participants' financial attitudes or behaviors. This suggests that, although financial education improved students' knowledge, it did not lead to significant changes in their attitudes or financial practices.

In addition, the study by Murillo-Félix et al. (2021) found that respondents had, on average, a moderate level of both financial literacy and indebtedness. In addition, they were found to have a me-

dium-high level of knowledge and use of credit cards. Consequently, it can be inferred that the respondents' financial literacy is notably linked to both their debt levels and their understanding and utilization of financial products, such as credit cards. It is important to mention that the research was conducted with a sample of 661 individuals and employed a correlational methodology.

Ramos and Servan (2021) conducted a study to focus on dimensions of personal finance, such as goal setting, personal debt repayment strategies, and means of control. As well as financial literacy, which includes financial knowledge, skills, and attitudes. The research was conducted using a quantitative descriptive correlational approach and a non-experimental design. The sample consisted of 136 savers from a bank in Lima, and a survey was used as the data collection instrument. The results obtained revealed that there is a significant relationship between personal finance and the financial education of the savers of the bank in Lima in 2021.

Furthermore, the research by Cruz-Ramírez and Gálvez-Flores (2021) showed that financial education has a significant impact on personal finances during the pandemic in the hamlet of Santa Ana. This study was characterized by its non-experimental design with a quantitative approach and involved a sample of 52 people.

A previous study by Pérez (2021) aimed to determine the relationship between financial education and personal finance among small and microentrepreneurs in the Ayaymama market in the city of Moyobamba. It was a basic, non-experimental study, with a cross-sectional design, applied to a population of 48 entrepreneurs. The results showed a direct and significant relationship between financial education and personal finances, with a moderate positive correlation ($r = 0.578$). This study demonstrates the importance of financial education in contexts of informal entrepreneurship, which is relevant for the analysis of the problem addressed in this research.

Similarly, Kwan-Chung and Alegre-Brítez (2023) examined the relationship between personal finances and work stress and identified factors that may affect the relationship. To achieve this, a documentary analysis of thirty sources was conduct-

ed between 2018 and 2022. The results indicate that personal finances have a significant influence on work stress and that this relationship can be affected by several factors, including financial literacy, financial planning, workload, lack of autonomy, and conflict in the work environment.

On the other hand, De Guevara et al. (2021) conducted a study to explain how members' financial education affects the financial management of the Savings and Credit Cooperative "Santo Domingo de Guzmán". The study was based on a cross-sectional data analysis, in which a sample of 245 members of the cooperative was selected through systematic probability sampling. The results obtained showed a significant dispersion in the members' levels of financial knowledge, which evidences difficulties and inequalities in their financial management practices. Although the overall financial management of the participants was found to be moderately effective, the analysis identified specific areas where the financial literacy of the cooperative members needs to be improved. These findings underline the need to strengthen members' financial education and skills so that they can adopt stronger and more consistent practices in managing their personal and family finances. The study highlights clear opportunities for improvement in this regard.

Estrada-Cuadros and Miranda-Jaramillo (2022) investigated 21 teachers through a quantitative approach and a correlational design. The findings from their study demonstrated that financial education significantly affects several aspects of students' financial behavior. In particular, the research showed that financial education accounted for 65.6% of the influence on overall personal finance, 57.2% on savings practices, 52.8% on budgeting, and 45.9% on credit status.

The study is justified by the need to understand the relationship between financial education and personal finance. Methodologically, the research is valuable as it employs a quantitative correlational approach, allowing other researchers to replicate or extend the study in different regions or socio-economic contexts. The use of validated tools, such as specific questionnaires and correlational analyses, ensures that the findings are not only relevant but also rigorous. From a practical point of

view, the research identifies key areas where financial education can improve citizens' economic decision-making, fostering greater financial stability at the personal and household level. This is crucial in emerging economies, where informed decisions can reduce indebtedness and improve overall economic well-being.

In summary, previous studies consistently indicate a strong link between financial education and personal finance outcomes across various contexts. However, these findings often vary by population segment and methodological approach. Despite a broad consensus, gaps remain in understanding this relationship within urban populations in Latin America.

The objective of this study was to analyze the relationship between financial education and personal finances among residents of Lima, Peru. Based on this objective, the following hypotheses were proposed:

- H1: *There is a significant and positive correlation between financial education and personal finances.*
- H2: *Financial management is significantly related to personal finances.*
- H3: *The use of credit shows a significant correlation with personal finances.*
- H4: *Planned consumption is significantly associated with personal finances.*
- H5: *Investment and savings are significantly related to personal finances.*

2. METHODS

The research model followed a basic, non-experimental, cross-sectional, quantitative, and correlational design (Mohajan, 2020; Bauer et al., 2021). The study focused on a population of 524,121 individuals aged 18 to 65 in Lima, Peru, based on data from the Ministry of Health's 2024 Repositorio Único Nacional de Información en Salud. A representative sample of 456 participants was selected using a sampling formula (Purwanto, 2021) and

simple random sampling. The sample included a majority of females, with participants distributed across various age groups, predominantly 18 to 25 years old, followed by individuals aged 36 to 40 years. In terms of education, most participants had higher education, while the rest had technical, secondary, or primary education. Regarding employment, the sample was mainly composed of public sector workers, followed by private sector employees, self-employed individuals, and some unemployed participants. Marital status varied, with the majority being single or married, and a smaller proportion cohabiting, divorced, or widowed.

The technique used was the survey, and the instrument used was the questionnaire, in which the questions for each of the variables were detailed. In addition, the instruments to be used to measure each of the variables were indicated. To measure financial education, the questionnaire formulated by Mendonça-Flores (2012) was used, which is made up of the dimensions of financial management, use of credit, planned consumption, and investment and savings. The instrument is composed of 21 items, and a Likert scale of 5 ratings is used to measure the items (1 never and 5 always). This scale has an expert validation and an alpha reliability of 0.880, equivalent to good. It also achieved an alpha of 0.877 in the study, demonstrating excellent internal consistency.

To measure personal finances, the questionnaire formulated by Spinella et al. (2007) was used, which consists of the dimensions of impulse control, motivational drive, organization, and planning. The instrument is composed of 26 items, and a Likert scale of 5 ratings is used to measure the items (1 never and 5 always). This scale has been validated by specialists and has an alpha reliability of 0.860, equivalent to good. It also has a Cronbach's alpha of 0.895 in the study, demonstrating excellent internal consistency.

To collect information from residents, permissions were arranged to ensure the participation of all those involved. Subsequently, the items for each topic were structured in a Word document to prepare the questionnaire sheets for printing. Once the participants' permission had been obtained, the questionnaires were distributed. To

ensure that participants completed the questionnaires in their entirety, two enumerators assisted the participants. The collection of information from participants took place from March to April 2024. Once the administration of the questionnaires was completed, the data collected were recorded in an Excel sheet. These data could then be copied and pasted into the spreadsheets of the statistical software for analysis.

All completed forms were examined, and analysis was carried out based on the responses collected, using SPSS version 27 statistical software. At this stage, the reliability of the information collected was verified by applying Cronbach’s alpha coefficient. An analysis of the distribution of the data was also carried out using normality tests. Data relating to demographic variables were presented as frequencies and percentages, while bivariate correlations were used to test the hypotheses. According to George and Mallery (2019), in all inferential analyses, values with a significance level of less than 0.05 were considered significant.

In terms of ethical aspects, the study was conducted in strict accordance with the ethical standards established by the APA 7th edition. These standards provided clear and detailed guidelines to ensure the protection of the research subjects and the integrity of the data. From the outset of the research, the importance of informing participants of their right to give informed consent was kept in mind. In addition, special care was taken to ensure the anonymity and confidentiality of participants. The intellectual property of the authors was also scrupulously respected. Appropriate citations and references were made to acknowledge and give credit to previous work used as a theoretical basis for the study. Plagiarism was avoided, and originality and academic integrity were encouraged.

The study was carried out in Lima, Peru, between March and April 2024, a context selected for its demographic diversity and socioeconomic representativeness. All research procedures complied with APA 7th edition ethical standards, ensuring voluntary participation, informed consent, and strict confidentiality of the data collected.

For the analysis, a total of 456 surveys were collected and used as a database. To ensure the reliability

of the instruments used, they were tested using Cronbach’s alpha coefficient. The results obtained from this test are presented below:

With reference to reliability, Cronbach’s alpha value of the financial literacy variable estimated a result of 0.869 with 20 items. The result emphasized that the instrument has excellent reliability. Likewise, Cronbach’s alpha value of the personal finance variable estimated a score of 0.895 with 20 items. The result emphasized that the instrument has excellent reliability.

Table 1. Demographic data

Characteristics	Alternative	Frequency	Percentage
Sex	Male	202	44.30
	Female	254	55.70
Age	18 to 25 years old	154	33.77
	26 to 30 years old	63	13.82
	31 to 35 years old	57	12.50
	36 to 40 years old	104	22.81
	41 to 45 years old	56	12.28
	51 years and over	22	4.82
	Grade of education	Primary	37
	Secondary	61	13.38
	Technical	102	22.37
	Higher	256	56.14
Place of work	Public sector	184	40.35
	Private sector	102	22.37
	Self-employed	74	16.23
	Not working	96	21.01
Marital status	Single	131	28.73
	Cohabitant	106	23.25
	Married	124	27.19
	Divorced	80	17.54
	Widowed	15	3.29

Table 1 presents the characteristics of the respondents. 456 citizens of Lima participated in this study, of which 55.70% were female and 44.30% were male. The average age was between 18 and 25 years, with 33.77% of participants. In addition, 28.73% of the participants were single. Among the participants, 56.14% had higher education. In terms of occupation, 40.35% of the citizens were employed in the public sector, while 21.01% were unemployed.

3. RESULTS

The findings presented in Table 2 emphasize the significance of financial literacy among the respondents. It was discovered that 42.11% of participants demonstrated a high level of financial literacy. A closer examination revealed that 21.49% had an average level of financial literacy, while 17.32% displayed a very high level. Conversely, 11.18% of respondents were classified as having a very low level of financial literacy, and 7.89% were identified with low financial literacy. In conclusion, these results highlight the necessity for enhanced financial education to boost the financial knowledge and abilities of the population. While it is promising that a substantial proportion of respondents exhibit high financial literacy, it is evident that there is ample room for improvement, given the notable percentages of individuals with very low and low levels of financial literacy.

Table 2. Level of perception of financial education

Scale	Frequency	Percentage
Very low	51	11.18
Low	36	7.89
Regular	98	21.49
High	192	42.11
Very high	79	17.32
Total	456	100

Table 3. Level of perception of personal finances

Scale	Frequency	Percentage
Very low	99	21.71
Low	37	8.11
Regular	94	20.61
High	175	38.38
Very high	51	11.18
Total	456	100

The results presented in Table 3 highlight the importance of personal financial management among the respondents. It was observed that 38.38% of the participants showed a high level of managing their personal finances. On further analysis, it was found that 20.61% have a fair level, while 21.17% have a very low level. In addition, 11.18% of the respondents were identified as having a very high level and 8.11% as having a low level in managing their personal finances. In summary, these results emphasize the importance of acquiring sound skills and knowledge in managing personal finances. It is encouraging to note that a significant per-

centage of respondents show a high level of financial management. However, it is also worrying to note that a considerable proportion of participants have a very low level of financial management.

Table 4. Kolmogorov-Smirnov test results for normality

Kolmogorov-Smirnov	Financial education	Personal finance
N	456	456
Test statistic	0,095	0,115
Sig. asin. (bilateral)	< 0.001	< 0.001

The normality of the data was assessed using the Kolmogorov-Smirnov test (refer to Table 4), with a significance threshold of $p < 0.05$, indicating non-normal distribution. The test results yielded a significance value of 0.000, which is below the 0.05 threshold. Consequently, the data do not meet the assumption of normality (Mishra et al., 2019). Given this, the hypotheses were tested using Spearman's Rho, a statistical method suitable for analyzing data with a non-normal distribution.

Table 5. Contrast between financial education and personal finance

Correlatives			
Spearman's Rho	Financial education	Correlation coefficient	0.726**
		Sig. (bilateral)	< 0.001
		N	456

Note: ** Hypotheses testing results.

The result in Table 5 indicates that there is a positive and significant correlation between financial education and personal finances, which is statistically significant ($\rho = 0.726^{**}$, $p = 0.000 < 0.05$), implying that financial education had a strong influence on personal finances; therefore, the hypothesis is accepted. In this sense, it is affirmed that financial education has a positive and significant relationship with the personal finances of the inhabitants of Lima.

Table 6. Contrast between financial management and personal finance

Correlatives			
Spearman's Rho	Financial management	Correlation coefficient	0.518**
		Sig. (bilateral)	< 0.001
		N	456

Note: ** Hypotheses testing results.

Table 6 presents the correlation between financial management and personal finance. The Spearman's rho correlation coefficient for this relationship was 0.518**, indicating a moderate and positive association. Additionally, the p-value of 0.01 was below the significance threshold of 0.05. As a result, the study accepted the alternative hypothesis, concluding that financial management is significantly related to the personal finances of residents in Lima.

Table 7. Contrast between the use of credit and personal finance

Correlatives			
Spearman's Rho	Use of credit	Correlation coefficient	0.642**
		Sig. (bilateral)	< 0.001
		N	456

Note: ** Hypotheses testing results.

The result in Table 7 indicates a positive and significant relationship between credit usage and personal finances. The rho value of 0.642** reflects this correlation, which is significant at $p = 0.000$, less than the 0.05 threshold. The correlation coefficient suggests a moderate relationship between the variables. Based on these empirical results, the alternative hypothesis is supported. Therefore, it can be concluded that there is a significant relationship between credit usage and the personal finances of Lima's residents.

Table 8. Contrast between planned consumption and personal finance

Correlatives			
Spearman's Rho	Planned consumption	Correlation coefficient	0.458**
		Sig. (bilateral)	< 0.001
		N	456

Note: ** Hypotheses testing results.

The correlation coefficient (r) demonstrates a significant and positive relationship between planned consumption and personal finances, as shown in Table 8. The rho value of 0.458** indicates this relationship and is significant at $p = 0.000$, which is less than the 0.05 threshold. This suggests a weak correlation between the variables. Based on these empirical results, the alternative hypothesis is supported. Therefore, it can be concluded that there is a significant relationship between planned consumption and the personal finances of Lima's residents.

Table 9. Contrast between investment and savings and personal finance

Correlatives			
Spearman's Rho	Investment and savings	Correlation coefficient	0.745**
		Sig. (bilateral)	< 0.001
		N	456

Note: **Hypotheses testing results.

Table 9 shows the relationship between investment savings and personal finance. Spearman's rho correlation coefficient for the relationship was 0.745**. This shows that the relationship between investment and savings, and personal finance was medium and positive. On the other hand, the probability value (P value) of 0.01 was less than the maximum significance value of 0.05. Based on this, the study accepted the alternative hypothesis and concluded that investment and savings have a significant relationship with the personal finances of the inhabitants of Lima.

4. DISCUSSION

In relation to the research objective, the existence and degree of correlation between financial literacy and personal finance were determined. The Spearman's rho correlation coefficient found in this study was 0.518**, which shows that the relationship between these variables is medium and positive. This means that the higher the level of financial education, the better the management of personal finances. Comparing these results with previous studies, some commonalities and some differences were observed. The study by Johan et al. (2020) found that financial education has a positive and significant impact on the financial knowledge of university students in Indonesia. Similarly, Murillo-Félix et al. (2021) concluded that there is a relationship between the level of financial education and indebtedness, as well as the knowledge and use of financial products among people in the city of Navojoa, Sonora. These results are similar to ours, which indicate a strong overall correlation between financial education and personal finance.

Cruz-Ramírez and Gálvez-Flores (2021) found that financial education significantly impacted personal finances during the pandemic. The finding of this strong correlation supports this conclusion, suggesting that the positive impact of fi-

financial education is robust even in times of crisis. Pérez's (2021) study reported a moderate positive correlation ($r = 0.578$) between financial education and personal finances among micro and small business entrepreneurs in the Ayaymama zonal market, Moyobamba. The current study presents an even stronger correlation, which could be due to differences in the populations studied or methodologies employed.

These results also support the theories and models reviewed in the paper, such as Lusardi and Mitchell's (2014) theory of financial literacy and Thaler and Sunstein's (2008) theory of behavioral finance. As mentioned in the paper, financial literacy involves acquiring knowledge, skills, and attitudes to make informed decisions about aspects such as saving, investing, borrowing, and long-term financial planning. Personal finance refers to the management of individual or family income, expenditure, savings, investments, and debts. Therefore, the research findings are consistent with the literature reviewed in the paper, which indicates that there is a significant relationship between financial literacy and personal finance.

The first specific objective aimed to assess the relationship between financial management and personal finance. The Spearman's rho correlation coefficient for this relationship was 0.518^{**} , indicating a moderate and positive association. These findings align with previous research. Johan et al. (2020) found that personal finance management positively impacts the financial literacy of university students in Indonesia, a result that closely mirrors the current study. Furthermore, in line with the theoretical framework, Hastings et al. (2013) emphasized that financial literacy encompasses the knowledge, skills, and attitudes necessary for making informed and responsible financial decisions. Similarly, Rabbani et al. (2022) suggest that financial management is an ongoing lifelong learning process that directly influences personal financial management.

The second specific objective emphasized determining the relationship between credit use and personal finances. The statistical result found a rho value of 0.642^{**} between the variables. Consequently, there is a significant relationship between credit use and personal finances. This finding is consistent with previous stud-

ies reviewed. In the study by Ramos and Servan (2021), they found a significant relationship between credit management and the management of their finances in a sample of savers in a bank in Lima. The study by Pérez (2021) also found a similar relationship between credit management and the personal finances of small and micro-entrepreneurs in Moyobamba. These results can be explained on theoretical grounds. As Hastings et al. (2013) point out, financial literacy implies having the knowledge, skills, and attitudes necessary to make informed and responsible financial decisions. This is reflected in better management of personal income, expenses, savings, investments, and debts, i.e., improved personal finances (Urban et al., 2022; Panos & Wilson, 2020).

The third specific objective aimed to determine the relationship between planned consumption and personal finances. The rho value of 0.456^{**} indicates a significant relationship, with $p = 0.000$, which is less than the 0.05 threshold. This suggests a weak correlation between the two variables. As a result, the existence of a significant relationship between planned consumption and the personal finances of inhabitants is confirmed. These findings are consistent with the reviewed literature, which also identifies a link between these variables. Johan et al. (2020) found that financial education positively and significantly impacted the financial knowledge of university students in Indonesia, although no effect was observed on their financial attitudes or behaviors. Similarly, research by Murillo-Félix et al. (2021) revealed that the level of financial education was associated with both indebtedness and the knowledge and use of financial products among individuals in Navojoa, Sonora. From a theoretical standpoint, the results align with financial literacy theory (Lusardi & Mitchell, 2014) and behavioral finance theory (Thaler & Sunstein, 2008), both of which underscore the importance of financial education for making informed and responsible financial decisions.

The fourth specific objective sought to determine the relationship between investment savings and personal finances. The statistical analysis revealed a correlation of 0.745^{**} , indicating a moderate and positive relationship between investment, savings, and personal finances. This confirms that investment and savings are significantly related to per-

sonal finances. The findings of this study are consistent with the work of Ramos and Servan (2021), who also identified a significant relationship between savings and the financial management of savers at a bank in Lima. Similarly, research by Cruz-Ramírez and Gálvez-Flores (2021) demonstrated that financial investment significantly affects personal finances during the pandemic in the Santa Ana district of Lima.

In this sense, the findings of the present study reinforce the notion that financial education is a key factor for the proper management of personal finances. The level of financial education of individuals is related to their knowledge, use, and management of different financial aspects, such as budgeting, credit, savings, and investment.

This study on financial education and personal finance faced several limitations. In this research, there were difficulties with accessing personal financial information due to privacy and confidentiality issues, which required obtaining informed consent from participants and ensuring the protection of their data. In addition, financial education is a complex topic influenced by a variety of socio-demographic, cultural, and economic factors, so the diversity of experiences and perspectives may not have been fully captured. Another challenge was the timing of the survey, conducted in 2024, which may mean that the results may have been affected by changes in the context.

The findings of this study have significant practical implications. They highlight the importance of

implementing financial education programs, particularly aimed at vulnerable groups such as small and micro-entrepreneurs. These programs could focus on areas such as budgeting, credit management, savings, and investment, helping individuals enhance their financial knowledge and skills, and ultimately improve their personal financial management. The results also indicate that financial institutions, government bodies, and educational organizations should work together to design and deliver financial education initiatives throughout people's lives, from childhood to adulthood.

For future research, it would be valuable to investigate additional factors that may influence the relationship between financial education and personal finance, such as socio-demographic variables, socioeconomic status, and access to financial services, among others. Furthermore, examining the long-term impact of specific financial education programs on participants' financial behavior could provide deeper insights into how these programs shape financial practices over time.

To expand this field of study, the following lines of research are suggested, which aim to conduct longitudinal studies, i.e., to investigate the long-term relationship between financial education and personal finances to observe changes and trends. Also, to carry out studies in diverse populations and socio-economic contexts to validate the generalizability of the results. Additionally, to include other variables that allow us to better understand citizens' behavior in reference to their personal finances.

CONCLUSION

The objective was to analyze the relationship between financial literacy and personal finances among residents of Lima, Peru. The study revealed that both financial literacy and personal finance levels were high among the participants. The results support the hypothesis of a significant and positive correlation between financial literacy and personal finances, suggesting that enhancing financial literacy could be an effective strategy to promote individual economic well-being. The strong correlation found ($\rho = 0.726^{**}$) emphasizes the importance of implementing comprehensive and accessible financial education programs for diverse populations, particularly focusing on vulnerable groups.

Additionally, the results reveal a significant and positive correlation between financial management and personal finances ($\rho = 0.518^{**}$), emphasizing the importance of promoting sound financial planning. A similar significant relationship was found between the responsible use of credit and personal finances ($\rho = 0.642^{**}$), highlighting the need for educational initiatives focused on prudent debt management.

The study also found a positive and significant correlation between planned consumption and personal finances ($\rho = 0.456^{**}$). Finally, the correlation between investment, savings, and personal finances ($\rho = 0.745^{**}$) underscores the importance of developing good investment and savings habits for long-term financial stability.

AUTHOR CONTRIBUTIONS

Conceptualization: Julio Alonso Burga-Morales.

Data curation: Julio Alonso Burga-Morales, Franklin Cordova-Buiza.

Formal analysis: Franklin Cordova-Buiza.

Investigation: Julio Alonso Burga-Morales.

Methodology: Franklin Cordova-Buiza.

Project administration: Franklin Cordova-Buiza.

Resources: Franklin Cordova-Buiza.

Software: Julio Alonso Burga-Morales.

Supervision: Julio Alonso Burga-Morales.

Validation: Franklin Cordova-Buiza.

Visualization: Julio Alonso Burga-Morales.

Writing – original draft: Julio Alonso Burga-Morales, Franklin Cordova-Buiza.

Writing – review & editing: Julio Alonso Burga-Morales, Franklin Cordova-Buiza.

REFERENCES

1. Arambulo-Dolorier, R. E., Gonzales-Pariona, J. D. M., Cordova-Buiza, F., Lujan-Valencia, S., & Gutierrez-Aguilar, O. (2023). Financial Education for University Students: A Personal Leadership Tool. In Alareeni, B., & Hamdan, A. (Eds.), *International Conference on Business and Technology* (pp. 217-227). Cham: Springer Nature Switzerland. https://doi.org/10.1007/978-3-031-54009-7_20
2. Arce-Cruz, G. O., Valencia-Mayuri, J. C., Jimenez-Rivera, W. O., Rivera, W. M. J., & Cordova-Buiza, F. (2023). Financial Literacy and its Relationship to the Indebtedness of a Bank's Customers. In *ECKM 2023 24th European Conference on Knowledge Management*, 24(1), 67-73. <https://doi.org/10.34190/eckm.24.1.1564>
3. Bauer, G. R., Churchill, S. M., Mahendran, M., Walwyn, C., Lizotte, D., & Villa-Rueda, A. A. (2021). Intersectionality in quantitative research: A systematic review of its emergence and applications of theory and methods. *SSM-Population Health*, 14, 100798. <https://doi.org/10.1016/j.ssmph.2021.100798>
4. BBVA (Perú). (02 de diciembre de 2019). *Sólo un 24% de peruanos poseen un buen nivel de educación financiera [Only 24% of Peruvians have a good level of financial education]*. (In Spanish). Retrieved from <https://www.bbva.com/es/pe/solo-un-24-de-peruanos-poseen-un-buen-nivel-de-educacion-financiera/>
5. Bohorquez-Isidro, V. D., Jimenez-Rivera, W. O., del Carmen Castañeda-Gil, Y., & Cordova-Buiza, F. (2024). El Alfabetismo Financiero y su Relación con las Finanzas Conductuales: un análisis a comerciantes de un mercado de abastos [Financial Literacy and its Relationship to Behavioral Finance: an analysis of traders in a food market]. *Revista Ibérica de Sistemas e Tecnologías de Información – Iberian Journal of Information Systems and Technologies*, 69, 637-649. (In Spanish). Retrieved from <https://dialnet.unirioja.es/servlet/articulo?codigo=9915923>
6. Cordova-Buiza, F., Tapara-Sinti, J., Gallardo-Tello, N. E., & Robles-Fabian, D. A. (2022). Level of Financial Education among University Students of Business: A Study in the Peruvian Scenario. *IBIMA Business Review*, 2022, 275437. <https://doi.org/10.5171/2022.275437>
7. Cruz-Ramírez, A., & Gálvez-Flores, E. I. (2021). *Educación financiera y su incidencia en las finanzas personales durante la época de pandemia en el caserío Santa Ana 2020 [Financial education and its impact on personal finances during the pandemic in the Santa Ana hamlet, 2020]* (Undergraduate Thesis). César Vallejo University. (In Spanish). Retrieved from <https://hdl.handle.net/20.500.12692/88962>
8. De Guevara, J. P. L., Aucapuri, A. A. H., Santos, D. A. L., & Huarcha, F. M. H. (2021). Incidence of the financial education of partners in the financial management of a Savings and Credit Cooperative. *Ciencia Latina Revista Científica Multidisciplinar*, 5(1), 556-583. https://doi.org/10.37811/cl_rcm.v5i1.251
9. Demertzis, M. (9 April, 2021). *Brecha de género en formación financiera [Gender gap in financial education]*. (In Spanish). Retrieved from <https://www.elecono->

- mista.es/opinion-blogs/noticias/11150637/04/21/Brecha-de-genero-en-formacion-financiera.html
10. Estrada-Cuadros, L. M., & Miranda-Jaramillo, D. S. (2022). *Educación financiera y su influencia sobre las finanzas personales en los docentes de la Institución Educativa No. 3054 La Flor, 2022* [Financial education and its influence on personal finances among teachers at Educational Institution No. 3054 La Flor, 2022] (Thesis). Universidad César Vallejo. (In Spanish). Retrieved from <https://hdl.handle.net/20.500.12692/107055>
 11. Fama, E. F. (1970). Efficient capital markets: A review of theory and empirical work. *The Journal of Finance*, 25(2), 383-417. <https://doi.org/10.2307/2325486>
 12. George, D., & Mallery, P. (2019). *IBM SPSS Statistics 26 Step by Step. A Simple Guide and Reference* (16th ed.). Routledge. <https://doi.org/10.4324/9780429056765>
 13. Goyal, K., & Kumar, S. (2020). Financial literacy: A systematic review and bibliometric analysis. *International Journal of Consumer Studies*, 45(1), 80-105. <https://doi.org/10.1111/ijcs.12605>
 14. Hasan, M., Le, T., & Hoque, A. (2021). How does financial literacy impact on inclusive finance? *Financial Innovation*, 7(1), 1-23. <https://doi.org/10.1186/s40854-021-00259-9>
 15. Hastings, J. S., Madrian, B. C., & Skimmyhorn, W. L. (2013). Financial literacy, financial education, and economic outcomes. *Annual Review of Economics*, 5(1), 347-373. <https://doi.org/10.1146/annurev-economics-082312-125807>
 16. Johan, I., Rowlingson, K., & Appleyard, L. (2020). The Effect of Personal Finance Education on The Financial Knowledge, Attitudes and Behaviour of University Students in Indonesia. *Journal of Family and Economic Issues*, 42, 351-367. <https://doi.org/10.1007/s10834-020-09721-9>
 17. Kaiser, T., Lusardi, A., Menkhoff, L., & Urban, C. (2022). Financial education affects financial knowledge and downstream behaviors. *Journal of Financial Economics*, 145(2), 255-272. <https://doi.org/10.1016/j.jfineco.2021.09.022>
 18. Klapper, L., & Lusardi, A. (2020). Financial literacy and financial resilience: Evidence from around the world. *Financial Management*, 49(3), 589-614. <https://doi.org/10.1111/fima.12283>
 19. Kwan-Chung, C. K., & Alegre-Brítez, M. Á. (2023). Finanzas personales y su relación con el estrés laboral [Personal finances and their relationship with work stress]. *Quipukamayoc*, 31(65), 99-107. (In Spanish). <https://doi.org/10.15381/quipu.v31i65.24989>
 20. Lind, T., Ahmed, A., Skagerlund, K., Strömbäck, C., Västfjäll, D., & Tinghög, G. (2020). Competence, confidence, and gender: The role of objective and subjective financial knowledge in household finance. *Journal of Family and Economic Issues*, 41, 626-638. <https://doi.org/10.1007/s10834-020-09678-9>
 21. Lusardi, A. (2019). Financial literacy and the need for financial education: evidence and implications. *Swiss Journal of Economics and Statistics*, 155(1), 1-8. <https://doi.org/10.1186/s41937-019-0027-5>
 22. Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature*, 52(1), 5-44. <https://doi.org/10.1257/jel.52.1.5>
 23. Machuca-Vílchez, J. A., Ramos-Cavero, M. J., & Cordova-Buiza, F. (2023). Knowledge management in financial education in Peruvian government programs focused on women: Progress and challenges. *Knowledge and Performance Management*, 7(1), 1-14. [https://doi.org/10.21511/kpm.07\(1\).2023.01](https://doi.org/10.21511/kpm.07(1).2023.01)
 24. Mahendru, M., Sharma, G. D., & Hawkins, M. (2022). Toward a new conceptualization of financial well-being. *Journal of Public Affairs*, 22(2), e2505. <https://doi.org/10.1002/pa.2505>
 25. Markowitz, H. (1952). Portfolio Selection. *The Journal of Finance*, 7(1), 77-91. <https://doi.org/10.1111/j.1540-6261.1952.tb01525.x>
 26. Mateo-La Rosa, S., Ferreyra-Mejía, O., Mayuri-Ramos, E., & Cordova-Buiza, F. (2024). User Loyalty through Technological Means in the Financial Sector: A Systematic Review. *IBIMA Business Review*, 2024, Article 955925. <https://doi.org/10.5171/2024.955925>
 27. Mendonça-Flores, S. A. (2012). *Modelagem de equações estruturais aplicada à propensão ao endividamento: uma análise de fatores comportamentais* [Structural equation modeling applied to the propensity to debt: an analysis of behavioral factors] (Master's Thesis). Universidad Federal de Santa Maria. (In Portuguese). Retrieved from https://bdtd.ibict.br/vufind/Record/UFMS_ef7154e66608da6d723264aeb142ba94
 28. Mishra, P., Pandey, C. M., Singh, U., Gupta, A., Sahu, C., & Keshri, A. (2019). Descriptive statistics and normality tests for statistical data. *Annals of Cardiac Anaesthesia*, 22(1), 67-72. https://doi.org/10.4103/aca.ACA_157_18
 29. Mohajan, H. K. (2020). Quantitative research: A successful investigation in natural and social sciences. *Journal of Economic Development, Environment and People*, 9(4), 50-79. Retrieved from <https://www.ceeol.com/search/article-detail?id=939590>
 30. Murillo-Félix, C., Acosta-Mellado, E., & Quintero-Navarro, M. (2021). Nivel de educación financiera como influencia en la toma de decisiones de endeudamiento en el uso de tarjetas de crédito en Navojoa, Sonora [Level of financial literacy as an influence on debt decision-making and credit card use in Navojoa, Sonora]. *Revista De Investigación Académica Sin Frontera – Journal of Academic Research Without Borders*, 14(36), 1-21. (In Spanish). <https://doi.org/10.46589/rdiasf.vi36.400>
 31. Organisation for Economic Co-operation and Development (OECD). (2005). *Improving Financial Literacy: Analysis of Issues and Policies*. OECD Publishing.

- Retrieved from https://www.oecd.org/en/publications/improving-financial-literacy_9789264012578-en.html
32. Panos, G. A., & Wilson, J. O. (2020). Financial literacy and responsible finance in the FinTech era: capabilities and challenges. *The European Journal of Finance*, 26(4-5), 297-301. <https://doi.org/10.1080/1351847X.2020.1717569>
 33. Pérez, C. E. (2021). *Educación financiera y finanzas personales de los pequeños y micro empresarios en el mercado zonal Ayaymama, Moyobamba [Financial education and personal finances of small and micro entrepreneurs in the Ayaymama zonal market, Moyobamba]* (Master's Thesis). César Vallejo University. (In Spanish). Retrieved from <https://hdl.handle.net/20.500.12692/66611>
 34. Purwanto, A. (2021). Education Research Quantitative Analysis for Little Respondents: Comparing of Lisrel, Tetrad, GSCA, Amos, SmartPLS, WarpPLS, and SPSS. *Jurnal Studi Guru dan Pembelajaran – Journal of Teacher Studies and Learning*, 4(2), 335-350. Retrieved from <https://ssrn.com/abstract=3982756>
 35. Rabbani, A. G., Heo, W., & Lee, J. M. (2022). A latent profile analysis of college students' financial knowledge: The role of financial education, financial well-being, and financial risk tolerance. *Journal of Education for Business*, 97(2), 112-118. <https://doi.org/10.1080/08832323.2021.1895046>
 36. Ramos, C. T., & Servan, T. S. (2021). *Las finanzas personales y la educación financiera de los ahorristas de una entidad bancaria de Lima, 2021 [Personal finance and financial education among savers at a bank in Lima, 2021]* (Undergraduate Thesis). César Vallejo University. (In Spanish). Retrieved from <https://hdl.handle.net/20.500.12692/77746>
 37. Rodríguez-Raga, S., & Martínez-Camelo, N. (2022). Game, guide or website for financial education improvement: Evidence from an experiment in Colombian schools. *Journal of Behavioral and Experimental Finance*, 33, 100606. <https://doi.org/10.1016/j.jbef.2021.100606>
 38. Salazar-Rebaza, C., Alfonzo-Campos, S., Noliberto-Acosta, T., Bernal-Cajachuan, N., & Cordova-Buiza, F. (2024). Uso de billeteras digitales y transacciones económicas de los negocios [Use of digital wallets and business economic transactions]. *Revista Ibérica de Sistemas e Tecnologías de Información – Iberian Journal of Information Systems and Technologies*, 69, 599-610. (In Spanish). Retrieved from <https://dialnet.unirioja.es/servlet/articulo?codigo=9915920>
 39. Spinella, M., Yang, B., & Lester, D. (2007). Development of the executive personal finance scale. *International Journal of Neuroscience*, 117(3), 301-313. <https://doi.org/10.1080/00207450500534043>
 40. Superintendency of Banking, Insurance, and Pension Fund Administrators (SBS). (2019). *Encuesta de medición de capacidades financieras de Perú, 2019 [Peru Financial Capability Measurement Survey, 2019]*. Superintendencia de Banca Seguros y AFP. (In Spanish). Retrieved from <https://scioteca.caf.com/bitstream/handle/123456789/1689/Encuesta%20de%20medici%C3%B3n%20de%20capacidades%20financieras%20de%20Per%C3%BA-2019.pdf>
 41. Thaler, R. H. (1999). Mental accounting matters. *Journal of Behavioral Decision Making*, 12(3), 183-206. [https://doi.org/10.1002/\(SICI\)1099-0771\(199909\)12:3<183::AID-BDM318>3.0.CO;2-F](https://doi.org/10.1002/(SICI)1099-0771(199909)12:3<183::AID-BDM318>3.0.CO;2-F)
 42. Thaler, R. H., & Sunstein, C. R. (2008). *Nudge: Improving decisions about health, wealth, and happiness*. Yale University Press.
 43. Urban, C., Schmeiser, M., Collins, J. M., & Brown, A. (2020). The effects of high school personal financial education policies on financial behavior. *Economics of Education Review*, 78, 101786. <https://doi.org/10.1016/j.econedurev.2018.03.006>
 44. Wilson, J. M., Lee, J., Fitzgerald, H. N., Oosterhoff, B., Sevi, B., & Shook, N. J. (2020). Job insecurity and financial concern during the COVID-19 pandemic are associated with worse mental health. *Journal of Occupational and Environmental Medicine*, 62(9), 686-691. <https://doi.org/10.1097/JOM.0000000000001962>
 45. World Bank (WB). (March 29, 2022). *Financial inclusion. Inclusion is a key enabler to reducing poverty and boosting prosperity*. Retrieved from <https://www.worldbank.org/en/topic/financialinclusion/overview>
 46. Zhang, H., & Xiong, X. (2020). Is financial education an effective means to improve financial literacy? Evidence from rural China. *Agricultural Finance Review*, 80(3), 305-320. <https://doi.org/10.1108/AFR-03-2019-0027>
 47. Zhang, Y., Lu, X., & Xiao, J. J. (2023). Does financial education help to improve the return on stock investment? Evidence from China. *Pacific-Basin Finance Journal*, 78, 101940. <https://doi.org/10.1016/j.pacfin.2023.101940>