

Factors Affecting Financial Education: Impact on the Population of Commune Four of the Municipality of Soacha with Difficulties in Accessing the Colombian Financial System

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Abstract

The municipality of Soacha is part of the metropolitan region of Bogotá, Colombia (Galvis Gómez & Galvis Gómez, 2020). Located adjacent to the southwest of the capital; This condition allows its articulation with the largest productive, social and political center of the country. This connection brings many benefits to Soacha, but also great challenges, among them: Overpopulation, lack of access to essential basic services and growing economic and financial informality; the latter object of this analysis, whose results suggest identifying the main elements that hinder access to existing financial channels for the inhabitants of this locality.

Keywords: Education, finances, informality, Colombia, Soacha.

1. INTRODUCTION

Colombia, like many Latin American countries, has been making a positive evolution towards the use of new financial instruments since the last decade (Martinez et al., 2020) not only because of the incorporation of new technologies of the industrial revolution 4.0 that allow greater agility in processes and decision-making, but also because of the impact that the COVID 19 pandemic has had on the population in the years 2020-2021 mainly (Hernández et al., 2021) and in particular in people from a purely financial point of view (Khetan et al., 2022), where digital media have had to be used on a massive scale to mitigate the impact of this disease. On the other hand, the country's commitment to meeting the UN's sustainable development goals in its economic sections and closing gaps in education (Perea Hinestroza, 2019) have targeted the concept of financial education (Chatterjee & Grable, 2022) as mechanisms for inclusion in the new realities of contemporary society to achieve well-being and growth with human dignity.

The municipality of Soacha is a region that has been well diagnosed from a social, environmental, and economic point of view; However, from the point of view of financial education or financial inclusion mechanisms, they have been quite limited. That is why this research addresses the process of financial inclusion through a descriptive look at the main causes why the population of this region, and in particular of commune number four², do not massively use the channels of access to traditional banking or, even more, do not use any type of financial product. It should be noted that the study focused on this commune because it is one of the sectors with the greatest social, environmental,

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economic and primary service difficulties that Soacha has. This article is composed of five items, from the introduction through a brief documentary review, analysis of data provided by the fieldwork carried out and finally the results and conclusions of the research are established.

2. DOCUMENT REVIEW

The terms financial inclusion and education are widely used by the state, the education sector, the financial sector, among others. While it is true that the concepts are complementary, it is clear that one underlies the other, that is, the term financial inclusion as explained in detail by ECLAC (Pérez Caldentey & Titelman Kardonsky, 2018) where the authors analyze the issue from several economic angles: demand, supply, the role of Latin American states in macroeconomic policy; It determines macro aspects that affect the guidelines of the states to generate a criterion for improving the quality of life of their populations. On the other hand, the approach to financial education is based on primary education (Gamboa Peña et al., 2019) where shortcomings are identified in children at an early age in the management of basic financial elements; Similarly, in other contexts, together with economic and social vulnerability (López-Rodríguez & López-Ordoñez, 2022), the impact of a deficient financial culture has an impact on their quality of life.

Financial uncertainty (Maman & Rosenhek, 2020) and the global changes inherent in a POST-COVID economy have affected the markets of all countries, especially the most vulnerable economies; therefore, the management of financial resources becomes an element of considerable care, particularly that of personal finances (Asebedo, 2022), since financial planning is not an exclusive subject for expert management, but is part of the knowledge of the common population in general.

As a result of what has been said so far, it is essential to analyze the causes that determine a deficient management of personal finances, causing informal financing practices and financial culture such as the "gota a gota" (Holguín, 2017) method of agiotista lending that mines the resources of debtors without the possibility of thinking beyond the day to day in order to survive or also, the growing level of subnormal employment in which the majority of Colombians live (Claire et al., 2021), which leads to processes of inequality not only economic but also social compared to another part of the minority population that covers its basic needs and reaches average levels of quality of life. It is also evident that the high costs of intermediation of financial channels make access to them difficult (Leguizamón & Romero, 2018) due to different macroeconomic, social and political aspects that the country has gone through in recent years.

DATA AND STATISTICS ON THE IMPACT OF THE STUDY LOCATED IN THE IV COMMUNE OF SOACHA

The present research is of a descriptive nature, with a single variable, which refers to the study Financial education that was obtained from the population of commune four of the municipality of Soacha, characterizing it through the application of the instrument of information collection based on the Likert measurement scale (Likert, 1932).

It is descriptive because it approaches a reproduction of a phenomenon in order to characterize it and from there the description through calculations and measurements; A variable, in this case people or population groups, is established to determine their characteristics without reflecting a relationship between them. This study was carried out without conditioning the variable of financial education and only observes what is described in its context and then analyzes it (Sampieri, 2018).

The municipality of Soacha, according to the last population census of 2018 of the DANE, has 645,205 inhabitants, of which in commune 4 (which this study deals with) there is just over 10% of the total population of the municipality and the socioeconomic

considerations are clearly established in the publication of context of commune 4 of Soacha (Álvarez Rivadulla & Bocarejo Suescún, 2012).

For the study, a non-probabilistic sample of the population was taken among adults ranging from 20 years to 70 years, and according to the analysis carried out the proportion of a finite population less than 10,000 is determined by the following formula (Aguilar-Barojas, 2005):

$$n = \frac{N \cdot Z^2 \cdot p \cdot q}{e^2 \cdot (N - 1) + Z^2 \cdot p \cdot q}$$

n = Sample size searched

N = Population Size or Universe

Z = Statistical parameter that depends on the Confidence Level (NC)

e = Maximum Accepted Estimation Error

p = Probability of the event being studied

q = (1 - p) = Probability that the event under study will not occur

According to the following data table:

Table 1. Sample Data

Parameter	Values
N	1.200
Z	0,95
P	80%
Q	20%
and	1,96%

Source: Authors' own creation

The sample size obtained a result of a total of 284 people, however, we worked with 104 people, which is representative for the analysis that was carried out, since its degree of reliability was estimated at 0.768 according to Cronbach's alpha coefficient (Oviedo & Campo-Arias, 2005), which yields an optimal level of reliability for this type of samples. according to the table below:

Table 2. Calculation of Cronbach's Alpha Reliability Coefficient

Description	Values
Instrument Reliability Coefficient	0,768
Number of items in the instrument	10
Sum of the item variances.	41,519
Total variance of the instrument.	134,283

Source: Authors' own creation

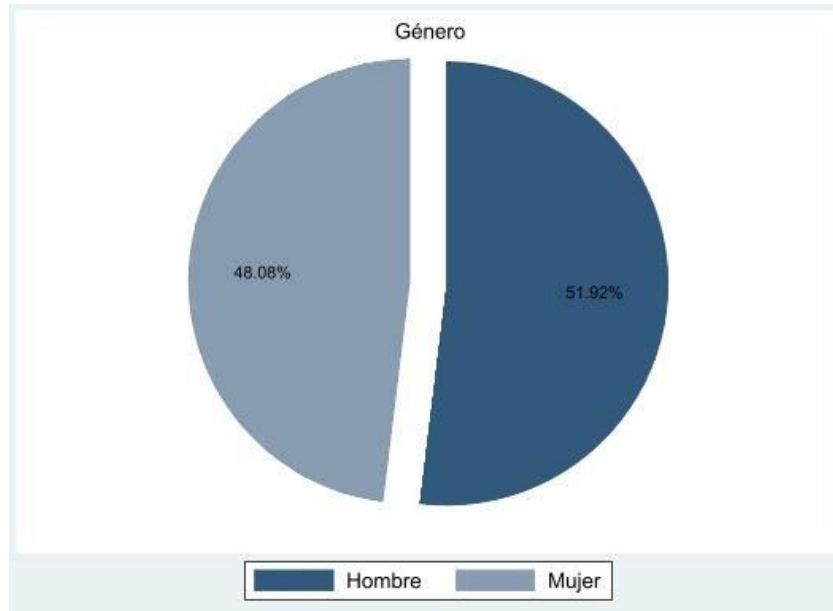
3. RESULTS

According to the data obtained from the study carried out with the population of commune 4 of the municipality of Soacha, the following results can be established.

3.1 CHARACTERIZATION OF THE POPULATION UNDER STUDY

According to the type of population under study, and the sample obtained from 104 participants, it is distributed as follows:

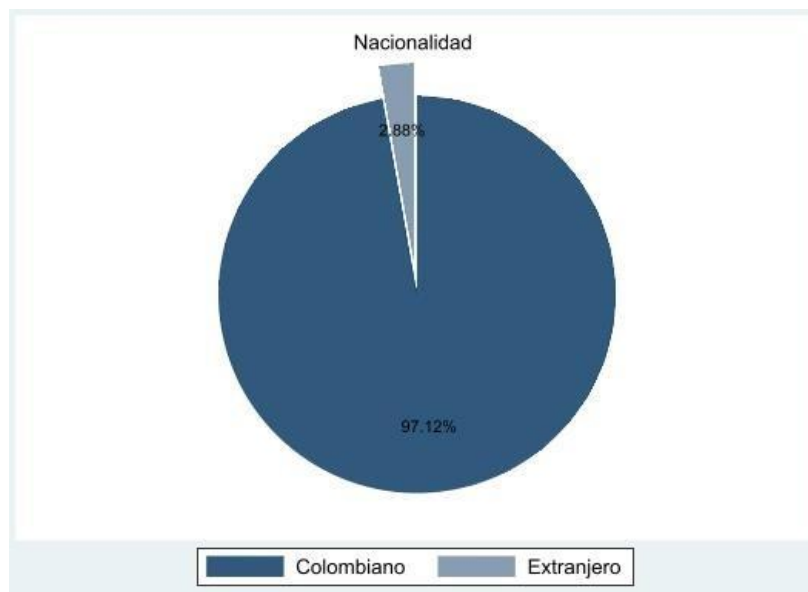
Figure 1. Distribution by Sample Genre



Source: Authors' own creation

As can be seen, the participation of the respondents had a balanced representation between men and women.

Figure 2. Nationality of the surveyed population

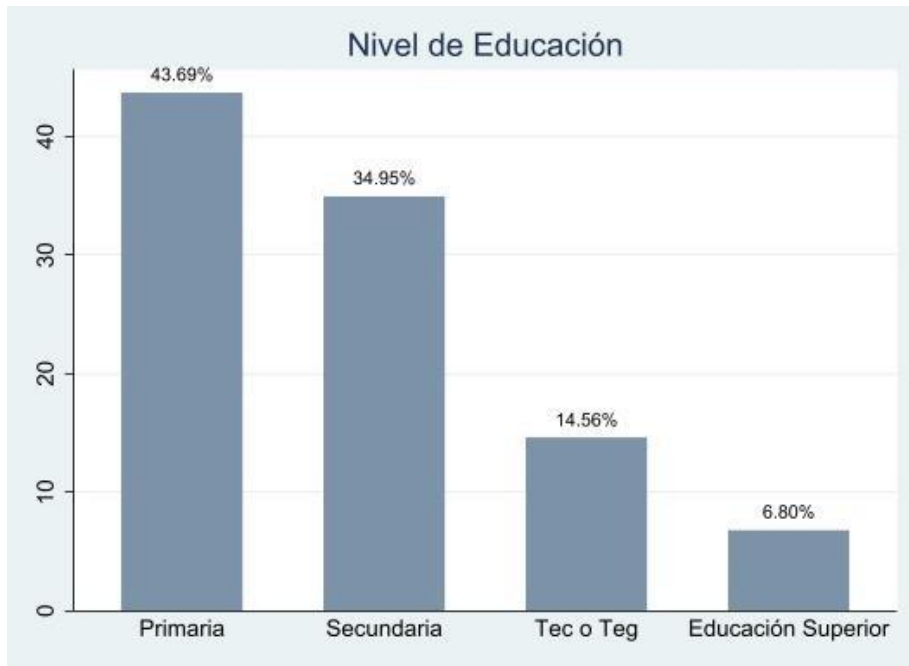


Source: Authors' own creation

This element is important because due to the migratory phenomenon of the Venezuelan population to Colombian territory in recent years (Tribin-Uribe et al., 2020), the influence

of this foreign segment has an impact in macroeconomic terms on the lives of the inhabitants of this country, and especially of this area of the national territory; since it is characterized by having people who transit to the capital in search of new opportunities.

Figure 3. Educational level of the surveyed population



Source: Authors' own creation

On the other hand, one of the factors that contributes significantly to this research is to determine the educational level of the actors surveyed, which is why it can be evidenced a level of basic and secondary education that concentrates 78.64% of the sample compared to 21.36% with higher standards of training.

Figure 4. Occupation status of the population sample

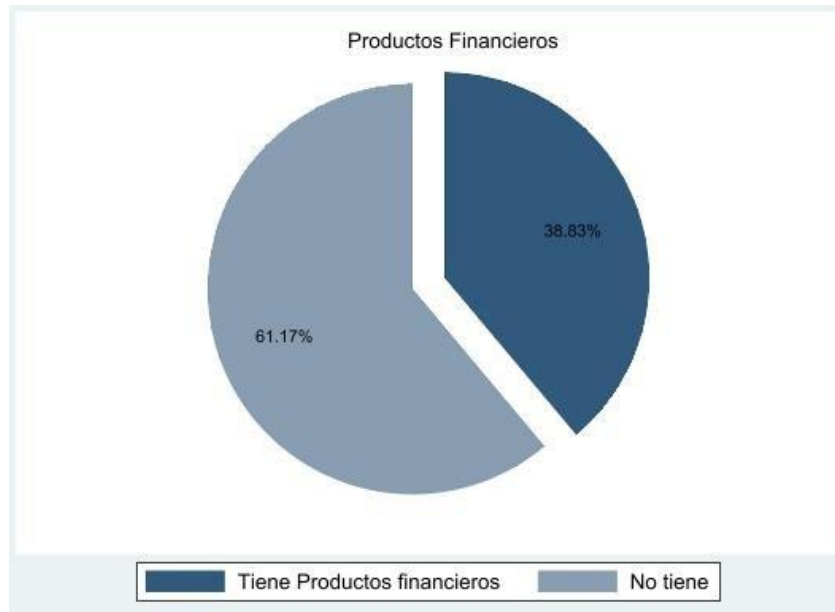


Source: Authors' own creation

In order to contextualize the analysis of this research with respect to the economically active population that carries out economic transactions, it can be observed that a large

part of this population has independent sources of income, compared to a margin of the same population that is employed or unemployed.

Figure 5. Use of financial products by the population under study.



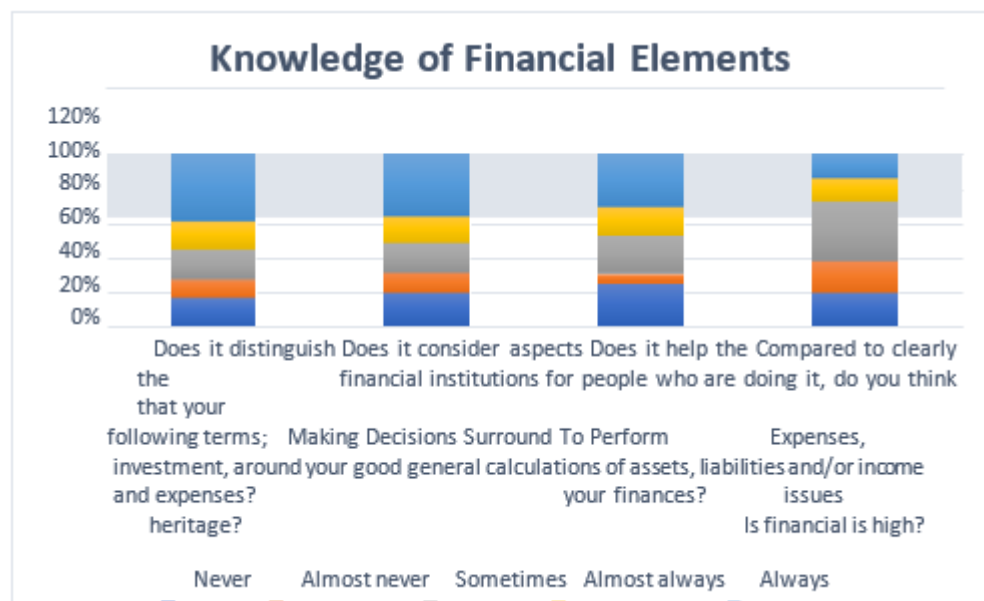
Source: Authors' own creation

With this assessment, it can be determined that the vast majority of respondents do not have formal financial products and it begins to take us into the in-depth analysis that is the object of this research, which will be given in the next sections of these results.

3.2 ELEMENTS OF FINANCIAL EDUCATION

This research addresses aspects of training and the use of financial tools, as well as aspects of financial literacy that intervene in decision-making processes in the daily life of the population under study.

Figure 6. Financial Knowledge



Source: Authors' own creation

In relation to what the instrument used yields in relation to key aspects such as expenses, investment, it can be evidenced that there is a generalized knowledge about these concepts, however to the extent that it delves into aspects of financial knowledge in order to specify the decision-making of investment or spending, it is evident that there is no broad knowledge or advice on financial aspects. Therefore, financial education is necessary, which can be more clearly evidenced in the following analyses.

Figure 7. Financial Decision Tools



Source: Authors' own creation

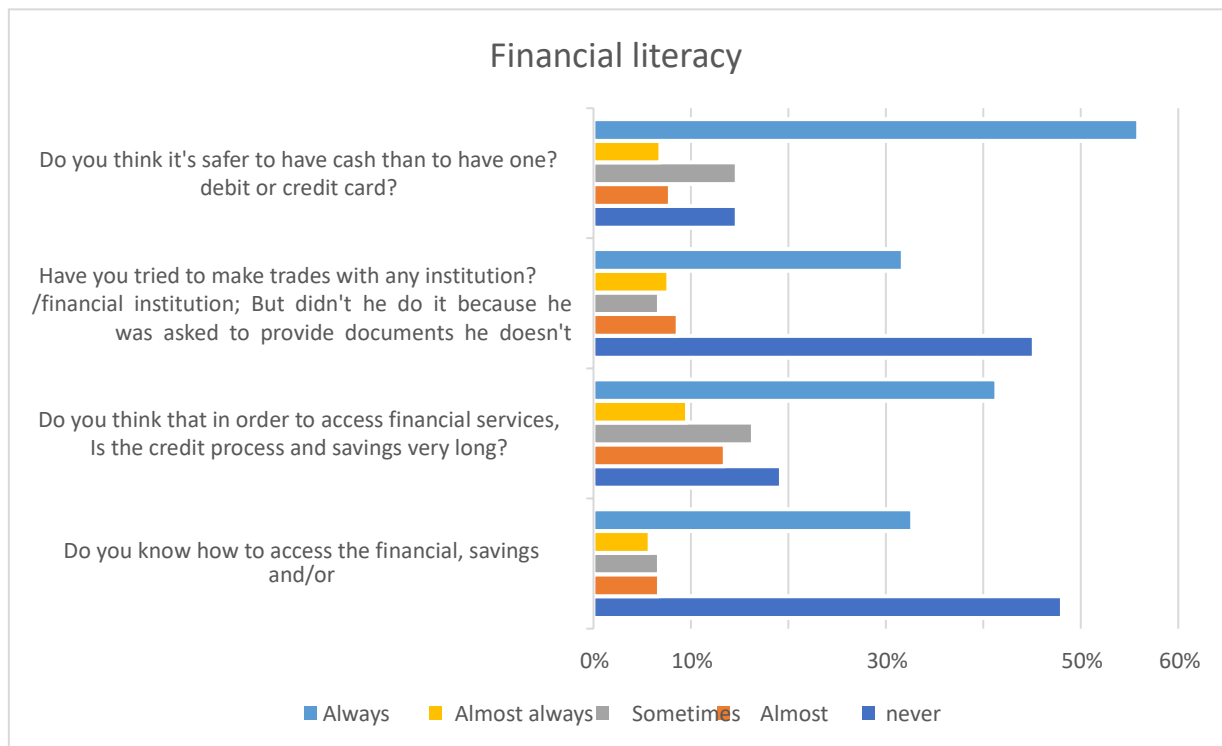
The study carried out on the population of commune 4 of the municipality of Soacha, confirms that the vast majority of respondents do not plan their financial expenses and income, nor do they use financial organization tools for this purpose; However, it can also be seen that empirically the target population of the research is cautious in the use of financial resources with third parties and saving is not a norm, probably due to the scarcity of income (which is not the object of this analysis).

Traditional financial channels are not the norm in this population, as they prefer known financing routes on a personal level.

3.3 FINANCIAL LITERACY

An element that has a powerful impact on financial education is the culture of management of financial resources, since tradition, the difficulty of access to financial support channels and, obviously, the lack of knowledge of their handling and security influence the population's investment and spending decision-making. This can be summarized in the following graph.

Figure 8. Elements of financial literacy



Source: Authors' own creation

The belief of having money "under the mattress" (Pool, 2002) as a mechanism to have control of it and that it is not affected by "unnecessary" expenses of financial institutions is still ingrained, the paperwork requested by the latter, makes financial transactions largely handled in cash, ignoring not only traditional channels but also the new trends of money transactions such as digital wallets (Moreno & Carolina, 2021) , credit or investment platforms.

4. CONCLUSIONS

The present analysis focuses on a part of the community of the municipality of Soacha, which is part of Colombia and, in particular, commune 4; population adjacent to the main administrative, political and economic center such as the Capital Bogotá D.C.; Within the framework of the statistical analysis of a finite population with a high degree of vulnerability, it results in elements that allow us to identify a high degree of informality and low access not only to traditional financial channels but also to new technologies for financial inclusion. This is primarily due to a lack of financial education, access to basic services and a traditional financial culture that is based on the physical possession of the resource with a high degree of distrust in third parties who can intervene in healthy financial health.

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