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THE IMPACT OF FINANCIAL AND DIGITAL LITERACY ON THE GROWTH OF WOMEN-OWNED MICRO, SMALL, AND MEDIUM-SIZED ENTERPRISES (MSMES).

A Synthesis of SmartSHE's Social Impact Insight.

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In recent years and times, there has been a growing recognition of the significant role that women-owned businesses play in driving economic growth both at the federal, state, local government level, and promoting gender equality. However, despite their potential, women-owned micro, small, and medium-sized enterprises (MSMEs) often face numerous challenges, including limited access to finance, resources, and market opportunities. In this context, the intersection of financial and digital literacy emerges as a critical factor in unlocking the growth potential of women-owned MSMEs.

Financial literacy refers to the knowledge and skills necessary to make informed financial decisions, manage resources effectively, and navigate the complexities of financial systems. Digital literacy, on the other hand, encompasses the ability to use digital technologies confidently and competently to access information, communicate, and conduct business activities online. Both forms of literacy are essential for empowering women entrepreneurs and enhancing the resilience and sustainability of their businesses.

One of the primary effects of financial literacy on women-owned MSMEs is its role in improving financial management practices. By understanding concepts such as budgeting, cash flow management, and financial planning, women entrepreneurs can make more strategic decisions about resource allocation, investment, and risk management. Financial literacy also enables women to access a wider range of financial products and services, including loans, supply chain finances,

WOMEN Empowerment

The empowerment and autonomy of women and the improvement of their political, social, economic and health status is a highly important end. In addition, it is essential for the achievement of sustainable development. The full participation and partnership of both women and men is required in productive and reproductive life, including shared responsibilities for the care and nurturing of children and maintenance of the household. In all parts of the world, women are facing threats to their lives, health and well-being because of being overburdened with work and of their lack of power and influence. In most regions of the world, women receive less formal education than men, and at the same time, women's own knowledge, abilities and coping mechanisms often go unrecognized. (Read more)

<https://www.unfpa.org/resources/issue-7-women-empowerment>

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invoice discount, reverse factoring, savings accounts, and insurance, which are essential for business growth and expansion.

Similarly, digital literacy plays a crucial role in enabling women-owned MSMEs to leverage digital technologies for business development and innovation. In an increasingly digitized world, having the skills to use digital tools and platforms effectively can provide women entrepreneurs with access to new markets, customers, and business opportunities. Digital literacy empowers women to create an online presence, market their products or services, and engage with customers through e-commerce platforms, social media, and digital marketing channels.

Moreover, the combination of financial and digital literacy can enhance the competitiveness and resilience of women-owned MSMEs in the face of economic challenges and market disruptions. By leveraging digital technologies for financial management, payment processing, and supply chain management, women entrepreneurs can streamline operations, reduce costs, and adapt more effectively to changing market conditions.

This resilience is particularly important in the context of the COVID-19 pandemic, which has accelerated the shift towards digital business models and highlighted the importance of financial preparedness.

However, despite the clear benefits of financial and digital literacy, women-owned MSMEs continue to face barriers to accessing education, training, and resources in these areas. Addressing these barriers requires a multi-faceted approach that involves government, NGOs, civil society, private sector organizations, social enterprises and educational institutions.

Initiatives such as financial literacy programs, digital skills training workshops, mentorship programs, and access to affordable financial services can help empower women entrepreneurs and foster a more inclusive and equitable business environment.

In summary, the effects of financial and digital literacy on the growth of women-owned MSMEs are profound and far-reaching. By equipping women with the knowledge, skills, and resources they need to succeed in the digital space and economy, we can unlock their full potential as drivers of economic growth, innovation, and social progress. Empowering women entrepreneurs is not only the right thing to do but also essential for building more resilient, sustainable, and inclusive economies in the 21st century.

Thank you!

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