

**FINANCIAL LITERACY AND INVESTMENT DECISIONS AMONG
MIDDLE AND LONG-DISTANCE ELITE ATHLETES IN KENYA**

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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS,
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DECLARATION

Declaration by student:

I hereby declare that this research project is my original work and has not been submitted to any university or institution for any award.

Signature..... Date.....

Fednard Machoka Nyang'au

D53/CTY/PT/37761/2017

Declaration by Supervisor:

This research project has been carried out under my supervision as the University supervisor.

Signature.....Date.....

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DEDICATION

I dedicate this work to my family for their continued invaluable spiritual and moral support during the period of the study.

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ABBREVIATIONS AND ACRONYMS

ADAK	Anti-Doping Agency of Kenya
APC	Average Propensity to Consume
GDP	Gross Domestic Product
IAAF	Association of Athletics Federations
IBL	Indonesian Basketball League
IT	Information Technology
KPL	Kenya Power Lighting company
MPC	Marginal Propensity to Consume
MPT	Markowitz Modern Portfolio Theory
NFL	Netball Football League
OECD	Organization for Economic Cooperation and Development
OG	Olympic Games
PFL	Personal Financial Literacy
PLS	Partial Least Square
PLS-SEM	Partial Least Squares Structural Equation Model
RF	Roger Federer for
SEM	Structural Equation Modeling
UK	United Kingdom
USA	United States of America
VIF	Variance Inflation Factor
WCAs	World-Class Athletes

OPERATIONAL DEFINITION OF TERMS

Investment Decision	is the individual sacrificing of consumption of the current income earned/or received now to acquire an income generating asset whether of physical nature such as real estate Real assets, business venture or financial assets and can be measured using a dummy of (1) or (0).
Financial Literacy	is the financial skills or expertise acquired by an individual athlete naturally through friends, relatives, peers and or through physical advisory guidance by an expert in investment measured in form of financial knowledge, savings habit and investment opportunities awareness of an individual.
Financial Knowledge	is the financial literacy as a measure of how well an individual athlete can understand and use personal finance-related information measured using knowledge of financial instruments and knowledge of investing options that are available in the market.
Savings Habits	is a continuous practice an athlete undertakes to accumulate funds/cash for being motivated by future retirement state, individual entrepreneurship desires or growth of revenue.
Investment Opportunities Awareness	is the state of an athlete being informed of the available and viable investment options in terms of type of investment, how to invest in the market as driven by the personal interest thereof.
Middle- and Long-Distance Athlete	A participant or athlete engages in several competitions, encompassing distances spanning from 800 meters to 10,000 meters, as well as cross-country and marathon races, which entail significantly longer yet strategically scheduled running endeavors.

ABSTRACT

Kenya is known internationally for producing middle- and long-distance champions in athletics. This has been attributed to its dominance in middle- and long-distance races which have exhibited comparable dominance in these races. Most of these athletes are young with no complete formal education. The issue around financial literacy and its relevance to sports remains unresolved. The objective of this study was to examine the impact of financial literacy on the investment decision-making process among middle- and long-distance elite athletes in Kenya. The primary aims of this study were as follows: first, to examine the impact of financial knowledge; second, to assess the influence of saving habits; and third, to evaluate the effect of awareness of investment opportunities on investment decision-making among middle- and long-distance elite athletes in Kenya. The study was supported by four theories: goal setting theory, financial literacy theory, absolute income theory, and permanent income hypothesis. The research design employed in this study was descriptive in nature. A total of 1,695 athletes specializing in middle- and long-distance events, and based in Kenya, were included in the study. From this population, a sample size of 318 athletes was selected, the researcher took into account both stratified and purposive sampling methodologies in order to identify the specific participants. Data collection was conducted using structured questionnaire. The study included correlation analysis and a multivariate regression model to assess the hypotheses. The research results were presented through the utilization of graphical representations and tabular formats. The researcher demonstrated adherence to research ethics by obtaining a permit letter and a NACOSTI license in order to conduct the research. The findings revealed that the participants exhibited a lack of knowledge of the functioning of the Nairobi Securities Exchange (NSE). Moreover, it was observed that athletes engaged in moderate buying and selling activities of ordinary shares, preference shares, and bonds for various firms inside the NSE. The findings of the study revealed that a significant proportion of the participants expressed a tendency to infrequently allocate a portion of their profits following each successful race for the purpose of saving. The findings of the survey revealed that a significant proportion of the participants expressed a modest level of awareness regarding various investment prospects both domestically and internationally. The findings of the study suggest that the allocation of investments in real estate, business, and financial assets in the region was only partially and inadequately executed. The findings of the research indicated that the level of literacy among the participants was significantly low. The team had a limited understanding of fundamental concepts in financial literacy, including the overall inflationary trend in the economy, the concept of time worth of money, and the potential misperception of cash holdings. It is imperative that athletes obtain the necessary knowledge that will serve as the fundamental basis for an effective investment strategy. By acquiring such knowledge, athletes will enhance their ability to develop a robust investment plan that is resilient to inflation. Hence, it is imperative for athletes to actively pursue financial counsel, as there exists a multitude of advisors who can offer them the necessary assistance, direction, and expertise required to construct a robust investment strategy that ensures long-term viability, while safeguarding against potential financial setbacks stemming from the prevailing economic climate.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Athletics industry has proven to be a multifaceted driver of most social-economic status in the world for many countries and their nationals. Nations such as China, United States of America (USA) and United Kingdom (UK) are good example of such scenarios where developed countries has financially and economically enjoyed from athletics such as increased capital spending on athletes, capital budgeting on infrastructure, programs related to athletics and hosting of world class events (Huang and Humphreys, 2018). The returns in some economies such as China and Hong Kong in terms of economic development and cash flow increment has proven comparative advantage to those economies (Lin, Piong, Wan, Li, Chu, Chu, and Chu, 2023).

Athletics have acted as a talent nurturing Centre where individual sportsmen and women prosper in many ways. For instance, according to Shi, Xue and Nie (2022), some countries have an athlete awarding system whereby if an athlete has a unique talent above his or her peers, the athlete are assigned a unique title such as “World-Class Athletes” (WCAs) which is top most title. This approach of awarding athletes at certain ranks or after winning global athlete awards such as Olympics, world cup and world championship has made athletic a popular and thriving business not only to individual players but also to many countries. For example, in China, General Office of the State in 2019 launched the “Outline for Building a Leading Sports Nation” plan which portrayed that this was a good milestone for the country to become a world class sports powerhouse (National Bureau of Statistics, 2018).

Further, the athletes who have won certain games are commonly given physical awards such as world-class elite men's high jumpers (Qiu et al., 2011) for those in high jump athletes, those who have won Olympics during winter time (Wang et al., 2019), the weight lifting game winners during the Olympics (Yang, 2019). There are also awards for the basketball team winners associated with London Olympics (Zhang et al., 2014). Another team for medal winners is the past Olympic games which have already been performed (Wu et al., 2018).

According to information gathered from Opendorse Forbes, the construction of an endorsement sub-sector in the majority of the countries is another component of recognizing the athletes who have elevated individuals and, consequently, the particular countries. For instance, it has been noted that this industry has also grown fast. Those athletes who were ranked as the top 100 winners' managed to gain more than 924 million USD via ratifications from sixth month of 2015 to the sixth month of 2016 (Weber, 2016). Again, Athletes can generate revenue by using their services as a powerful marketing tool to promote brands of clothing and footwear, even if they have no formal relationship with the firm in question. Additionally, they can create their own brands. (Yu, 2017).

Nike is among the businesses that enjoy working with athletes. For example the Air Jordan sneakers, this business collaborated with Michael Jordan to co-design a brand. The same company co-designed the "RF" tennis shoes in conjunction with player Roger Federer. (Telegraph Sport, 2014). In a court case which involved Djokovic and the accused, the ruling favored the former and was awarded \$21.8 million for salary from 2016 to 2018 due to participation in athletes and at the same time some more income amounting to \$34 million associated to endorsement was compensated to him.

Since most governments are interested in athletics, they have heavily invested their resources, which has helped many middle elite athletes become more financially capable and improve their physical health because they can receive quality medical care if they are ill or injured.. For instance, China sports market has expanded reaching a level of about 3.12 million Yuan in 2021 and it is yet to grow further according to the set projections (Lin et al. 2023). Some of the commonly known sports bourse in China which are said have thrived so far are such as athletic set-up, proficient associations, production of athletics' goods, and other league-related facilities such as training, sports medication, and appropriateness amenities (Pedersen and Lucie, 2014).

Other countries, like Hong Kong, have seen significant growth in the fitness and wellness sectors, with a rise in demand for their products as a result of hosting international athlete competitions. (Chen, 2017). Further the professionalism of doing athletics amongst the participants has been enhanced with the Chief Executive's introduction of an athlete industry (The Chief Executive's 2022 Policy Address, 2022). The governments of China and Hong Kong simultaneously promoted athletes by establishing policies for training and athletes who meet the requirements through organizations and sectors like China's National Fitness Program. (Chen, 2017). Hong Kong government established plans to promote local athletics by putting infrastructure in place which attracted international events (The Sports Chiropractic Council of Hong Kong China, 2023).

To bridge the gap between sporting achievement and investment conduit for athletes worldwide, numerous financial literacy programs have been tested. For example, the athletes and the following four universities—Botswana University, University of Dar es Salaam, University of Ghana, and State University of Michigan—formed a

collaboration with the athletes' scholars to promote financial literacy. (McCole, Malete, Tshube, Mphela, Maro, Adamba, and Ocansey, 2022). Schools from community organizations based in African cities also participated in these efforts to impact sportsmen with financial literacy.

This aforementioned program was for the purposes of creating jobs amongst youth athletes in sub-Sahara, Africa and the context of the training program was skills on entrepreneurial field and life skills. The results after the training were impressive because the youths had portrayed increased acquisition of entrepreneurship skills which aided them in decision making as far as investment decision is concerned. (Cronin and Allen, 2017).

Many scholars with interest on the conceptual connection between financial literacy and investment decision amongst middle- and long-distance elite athletes has remained controversial over the years (Balliauw and Van Den Spiegel, 2018). There are many financial decisions one can make such as savings which are done for cases of emergency, domestic consumption and investment which specifically involves forgoing consumption now for future returns. Further, financial literacy is the acquisition of right skills and know-how for an individual to be able to decide on the alternative courses of action that will require financial resources being utilized (Gregoriou, 2021).

1.1.1 Investment Decision

According to Ndungu and Abdul, (2022), the concept of investment decision is necessary to an individual when allocating scarce wealth as far as capital budgeting is concerned. Decision making on investment is an aspect of decision policy set by the concerned investor on the amount of capital requirement in a particular project to generate returns in a specific duration (Oteng, 2019). In other words, the aspect of

investment decision making is the process of laying down some capital amount to facilitate a project with anticipation that there will be viable returns in the future (Barno and Tuwei, 2020). However, most of the investment ventures are risky and chances of losing money are high. This may affect the future economic outcome and the progress of the investment venture. Therefore, the answer to this problem is to calculate the value of each investment option based on its size, duration, and likelihood of cash flow in the unanticipated future. (Hodge, 2018).

The main aim of considering an investment decision is to maximize on the investment and to attain capital protection (Raheja, 2018). Personal investors are assumed to be rational and aim at maximizing their profits trading off between the returns associated with that project and the risks attached (Wallengren and Sigurdson, 2017). Therefore, when one is selecting projects out of many, it is assumed that the decision arrived at is pegged on some aspects such as age, financial status, investor's plans in the future, tolerance of risk levels and other related investment needs (Rajendran, 2015).

The value of most investment instruments has been found to vary in a dynamic manner when it comes to selection of assets due to the many and varying athletic events and the available information which staggers and continuously grows as time goes by as compared to the same scenario a decade ago (Karanja, 2019). When the level of financial literacy amongst athletes goes up, a corresponding positive change on the individual investment decision which means such a person is strategically set to make the right decision on the best project to select. Therefore, this financial literacy improvement is noticed when the individual investor with this information is seen making the right or appropriate choices out of many investment opportunities which ends up improving their standards of living (Mwathi, 2017).

Different authors used different metrics to assess investment decisions. In the study by Barno and Tuwei (2020), five Likert scale was utilized to gauge the level of investment decisions. The measurement was a modification from the work of Luu, 2014 and Nyakundi (2017). From the review undertaken, it is clear that investment decision is the individual decision policy which entails sacrificing consumption of the current income earned/or received to acquire an income generating asset whether of physical nature such as real estate, business venture or financial assets and it takes only two dimensions, namely; decision to invest in all of them or some (use dummy variable 1) otherwise (use dummy variable 0). This is the methodology to be used by the current study for it was also used successfully by Zhao and Zhang (2021) in their study.

1.1.2 Financial Literacy

Acquired knowledge by an individual is broad. However, for the case of financial literacy it is the mixture of knowledge and the skills in addition to the attitude and character which are necessary for proper financial management decision which can help an individual arrive at the optimal financial wellbeing (OECD, 2016). It is the ability of an individual to make an appropriate financial management decision that concern him or her (Irungu, 2017). According to Glidden and Brown (2017). Financial literacy is the approach people adhere to in making financial management decision using basic finance ideas to set plans for the future such as identifying of insurance services, capital budgeting decisions, choosing of marginal propensity to save and budgeting of any nature (Abdeldayem, 2016).

According to (Atkinson and Messy, 2012), financial literacy should be holistic such that one can rely on the skills provided to handle all matters of financial management. This is because anybody with an average financial literacy is able to decide on his or

her official matters such as pension or retirement money received from the employer and can utilize them on a fair manner. Therefore, financial knowledge is of paramount importance for the acquirer is able to make sober decision on choosing financial products and also in making investment decisions (Mwathi, 2017). The term financial literacy is also synonymously knowledge in financial matters and it is paramount and a booster to an economy for it is already proven that those who have this knowledge are in a position to make well-informed investment and saving decisions which in turn play a keynote role to the country from a bigger viewpoint (Elifneh, 2018).

The subject matter of financial literacy is broad and defined in diverse ways. For instance, this discipline is referred to as low level numerical and arithmetical based skills, comprehension of levels of risks to face when a certain financial decision has been adopted and being in a position to accurately seek professional financial advice as supposedly. This definition is as expressed by Widdowson and Hailwood who preferred their definition to be pegged on the ideology of (Swiecka et al. 2020). Financial literacy, according to a different author by the name of Remund, is the conceptual understanding of financial matters and financial products, the application of financial knowledge to make financial decisions, the capacity to communicate in terms of finances, including aptitudes and capabilities, the acquisition of knowledge based on finances, knowledge of financial instruments, and financial confidence when making financial decisions. (Remund, 2010).

Finally, the concern of what financial literacy is was defined further by Glidden and Brown (2017) who posited that the aspect has to do with understanding how to use the financial knowledge acquired to save, prepare business budget or the personal budget, and insuring one's interest. So, generally, out of the many definitions, it is conclusive

that the matter of literacy in financial matters is education acquired via skills or expertise acquired by an individual athlete naturally through friends, relatives, peers and or through physical advisory guidance by an expert in investment and may assume financial knowledge, savings habit and investment opportunities awareness.

Financial Knowledge is the finance-based education which uplift someone to be well set to make use of that knowledge in solving financial issues (Zhao and Zhang, 2021). Therefore, lack of financial literacy in adults can have negative effects since, in most cases, people make poor financial judgments that show up in their spending habits, methods for creating budgets, and attitudes toward investing. In addition, the poor education of financial literacy will translate in to poor planning of finances by young athletes especially when they are away from their parents (OECD, 2016). In this inquiry, the indicator to be used to gauge financial knowledge will be knowledge of financial instruments and knowledge of investing options that are available in the market.

Savings habit is the continuous practice an individual undertakes to accumulate funds/cash for being motivated by future retirement state, individual entrepreneurship desires or growth of revenue. As far as savings habits is concerned, people have options of either going the way of savings of either contract based or discretionary-based nature (Maseko and Surujlal (2018),). The current study will use saving habit as prompted by athlete's saving motive of either retirement, individual entrepreneurship and growth of revenue or all the aspects aforementioned. On the other hand, investment opportunities awareness is the state of an individual being informed of the available and viable investment options. So, the measurement indicators used in the current study will be

anchored on the aspects of type of investment and how to invest in the market in different assets as driven by the personal interest thereof.

1.1.3 Middle and Long-Distance Elite Athletes

The term athletics is general for it represents several aspects of game events. That is running, walk exercise, jumping and throwing amongst many. The international body responsible for all games is referred to as International Association of Athletics Federations (IAAF) and its jurisdiction is wide. That is, it covers players undertaking sprinting exercise, middle and long-distance covering exercises, hurdles, games associated with track relays, jumping and throwing of discuss, road distance running, walking races, long distance-cross country games, mountainous running games and ultra-running games (Burke Castell, Casa, Close, Costa, Desbrow and Stellingwerff ,2019 and Lanham, Hill, Gallagher and Vorster, 2019).

The aforementioned classification of games varies in one way or another. Categorically, the elite athlete is termed as person who has exercised his skill of games of whatever nature but at the national or and international levels (Wang, Han and Li, 2019). For every game, variety of rules to be adhered to and on the same breath, the athletes themselves are required to have attained the specific technique to be able to compete and again the health fitness is specified and may require some rigorous training and right nutrition for one to qualify to participate (Shi, Li, Xue and Nie, 2022).

According to Tilahun, Haile, Bayissa, Chekol, Mengie and Abebe (2021) athletics associated with physical exercise such as running whether short or long-distance version. It is a common sports activity done across the globe. It cuts across the exercise of sprinting which cover a distance of sixty meters up to marathon levels which cover 42,195 Kilometer distance. On the other hand, IAAF classified running games as

covering a distance of three thousand (3,000) as ultra-marathon (Spiriev and Spiriev, 2011). These games require aerobic capacity and running economy for an athlete to win effectively (Thompson, 2017 and Kathure, Bukhala and Konyole, 2022).

The North Rift side of Kenya will be the targeted locale for the data collection for this is where most of the athletes of middle- and long-distance races camp during the training period and they have participated in national and international levels (Koske, 2020). The location is dominated by Baringo, Nakuru, Uasin Gishu, Turkana, Bungoma, Elgeyo Marakwet and Trans Nzoia. Counties. The athletes in this region have a history of walking long distances especially in their young age when they were in school attendance. As a result, hard exercises did an early preparedness for the current athlete competitions (Saltin, Terrados and Larsen, 2022 and Wabuyabo, Bukhala and Benoit, 2017).

1.2 Statement of the Problem.

The future survival of athletes after retirement from active professional sports career has proven to be difficulty amongst many athletes in the world. The way financial literacy acquired by the athletes and their investment decisions is not conceptually resolved so far. Barno and Tuwei (2020) noticed that those people who are unschooled on matters of financial management find themselves in a quagmire as far as continuous cash flow or income is concerned. In addition, those people who are very rich through athletics and who constantly consult on financial management on their payroll status still find themselves in financial distress, landing in to huge debts and poor investment decisions (Moolman, 2019). It is not possible for an athlete to live normally with the wealth that they abruptly acquire which is a kind of golden investment opportunity. So, most of them engage in lavish lifestyle and as it is well known in this sports profession

(Lewis, 2017). It has been discovered that statistics portray that more than one out of three netball and football league participants and three out of five basketballs undergo financial distress due to inappropriate investment plans within a time period of 2 years past retirement (Dudley, 2018).

Some athletes such as Scottie Pippen was actively involved in his professional athletics, he managed to generate around 120 million US dollars (Lynch Schaller, 2015). The owner's wealth generated during this time was short-lived for the amounts went down the drain due to wrong investment decision undertaken by this professional athlete. That is, his investment records portray that this athlete lost his capital from the aforementioned amount to a balance of 20 million USD. This was due to a major investment he did of purchasing a 5.3 million USD worth Gulfstream private jet amongst other divestments (Rawcliffe, 2022).

These conceptual concerns of how knowledgeable sports persons are for them to make viable investment decision with anticipation of bettering their future especially after retirement have been interrogated with little achievement in most of the past studies. In the study undertaken by Zhao and Zhang (2021) in USA, it was revealed that both financial literacy and experience in trading in cryptocurrencies was directly associated with investment decision, the experience aspect was more influential. Shaik et al. (2022) realized financial literacy straight away influenced the Information Technology (IT) professionals' investment behavior in India. In Poland, financial literacy status amongst secondary school learners was high and in other cases averagely high too (Swiecka et al. 2020). A study carried out by Jaco (2022) in South Africa concluded that individual peer athletes continued to make decisions on investment matters without any influence from the others in the same network.

In Ethiopia, ELifneh (2021) surveyed the level of basic financial literacy young individuals who were high school students in Addis Ababa. It was noted that this group of students had low financial literacy levels. In Botswana by Solomon, Nhete and Sithole (2018) found that personal financial literacy subjects' curriculum at secondary school level was not well assimilated. In a study conducted by Oteng (2019) in Ghana, the researcher aimed to investigate the factors influencing investment decision-making among traders in the Techiman Municipality located in the Bono East area. It was observed that individuals such as friends and business partners who possess financial expertise play a significant role in providing guidance on investing strategies.

Locally, Kimaiyo, (2021) focused on financial knowledge and its influence on savings habits amongst athletes. Ndungu and Abdul (2022) in their study on investment decision amongst KPL players in Nairobi Kenya found financial literacy directly influenced investment decision making. Karanja (2019) study concerns was on investment behavior of individuals over the lifecycle. He concluded that the aged individuals' common shares of companies as compared to the young generation. There was also common mentality of laying strategies to be financial comfortable across all age levels.

Past studies (Zhao and Zhang, 2021; Shaik et al. 2022; Waheed, et al. 2020; Maseko and Surujlal, 2018 and Assefa and Rao, 2018) has portrayed dissimilar results as far as conceptual gaps are concerned. Although the aforementioned inquiries focused on correlation of financial literacy to decision pertaining investment, some utilized savings and other factors to estimate the commonly focused dependent variable, namely; investment decision. The study findings also were dissimilar. Again, the methodology used to explain variances in investment decision value was controversial for some

studies (Waheed et al.; 2020; Waheed et al. 2020; Kumari, 2020; Hong and Fraser, 2021; Kimaiyo, 2021; Karanja 2019; Assefa and Rao, 2018) used diverse methodologies such as Chi-square, regression, correlation, probit and Structural Equation Models just to mention but a few to estimate the outcome. Again, although most studies (Khan, Rabbani, and Kadoya; 2020; Oteng, 2019; Huml, Gellock and Lecrom, 2020 and Ndungu and Abdul, 2022) reviewed focused on the financial literacy to investment decision, some studies addressed financial literacy by focusing on athletes who were school or university student, football players, net ball and runners or players. Also, the physical location of the study subjects cut across from local to global perspective. Therefore, it is a timely intervention for this inquiry to investigate the influence of financial literacy levels of athletes on investment decision that they make over time. To achieve this main objective, the current study incorporated appropriate methodology of financial knowledge, saving habit and investment opportunities awareness to gauge financial literacy and establish the level of significance influence it has on investment decision which is measured using dummy variable of (1) and (0) for otherwise using logistic regression analysis approach.

1.3 Objectives of the Study

This study is governed by both the general and specific objectives as indicated.

1.3.1 General objective

The main objective of this study was to investigate the influence of financial literacy on investment decision of middle- and long-distance elite athletes in Kenya.

1.3.2 Specific Objectives

The study was guided by the following three specific objectives.

- i. To determine the influence of financial knowledge on investment decision among middle- and long-distance elite athletes in Kenya.
- ii. To establish the influence of saving habit on investment decision among middle- and long-distance elite athletes in Kenya.
- iii. To evaluate the effect of investment opportunities awareness on investment decision among middle- and long-distance elite athletes in Kenya.

1.4 Research Hypotheses

This study was hypothesized as indicated below

H₀₁: Financial knowledge has no significant influence on investment decision among middle and long-distance elite athletes in Kenya.

H₀₂: Saving habit has no significant influence on investment decision among middle- and long-distance elite athletes in Kenya.

H₀₃: Investment opportunities awareness has no significant effect on investment decision among middle- and long-distance elite athletes in Kenya.

1.5 Significance of the Study

The importance of the research results of the inquiry in question is manifold for the interested parties are many. This study would of paramount gain to government policy making arms in finding out facts that are crucial in determining how financial literacy influences investing decision of athletes. The study will enable the government, through various sporting federations, to sensitize, as well as provide training and education to all sportsmen and sportswomen on investment decisions as it will be a significant contributor to the national income.

The investigation will benefit athletes in making their preferred decisions while determining how financial literacy influences investing choices of athletes in Kenya. They will be informed of the different solutions to the challenges facing their investment decisions. Athletes will understand why it's very important to invest their income in the correct ventures. This will enable them to develop budgets based on the recommendations of this investigation in question.

The study will be of great advantage to those wishing to do more research of this area. That is the future researchers who wish to carry research on how financial literacy influences investing choices of athletes in Kenya. This study will be an academic stepping stone to guide the concerned on the relevant information to advance. It will provide the theoretical framework which will act as the foundation for any further debate.

1.6 Scope of the Study

The investigation effort herein is wide, specifically of threefold, conceptual, location of the study subject matter and the timeframe covered. The study is focusing on conceptual viewpoint of financial literacy to investment associations. In this case, the financial literacy variable was utilized as the explanatory construct and it is measured using financial knowledge, saving habit and investment opportunities awareness. Further, the dependent construct was the matters making of decision on investment which was measured using a dummy of (1) and (0). The reason for using dummy variable was because the concern of this study is the decision made by the athlete whether it is appropriate or not.

The study is focusing on cause-effect linkage of financial literacy as the explanatory construct and the outcome variable namely; investment decision. The outcome variable

were measured using financial knowledge, saving habit and investment opportunities awareness. The dependent variable was measured using dummy of (1) and (0). The reason for using dummy variable is because the concern of this study was the decision made by the athlete whether it is appropriate or not.

The study was targeting those participants who are in the first place of middle- and long-distance runners of elite category and are Kenyans. More precisely, the study aimed at dealing with the resident athletes in the Kenyan part of North Rift valley and at one time did play a main role in competition of the aforementioned nature. Either at national or international or both levels. The study covered a time duration of five years within which the athletes of focus were actively involved in games. This was the time span covering the year 2018 to 2022.

1.7 Limitations of the study

There are many athletes who participated in different races but in this case, only participants of middle- and long-distance elite classification were considered. This is because there were other games which don't go to the national and international levels. In this case, the two categories of sex were factored in the research endeavors. On the same breath, the distance covered is of essence for it is only the middle- and long-distance races that were factored in. This includes; cross country and marathon athletes' classification that included in the study. Sprinting related races and those other races associated to field events were not part of this study.

There were many qualified athletes in the globe. Some famous ones in developed and regional countries such as USA and African continent. However, the consideration of this study was on Kenyan elite athletes. On the same note, choice of Kenyan athletes may not fully represent the population of concern with common characteristic of

national and international sphere. Again, the outcome of the study only restricted to the class of sports of focus and not all other categories.

1.8 Organization of the study

The study of concern represents inquiry project which has only five chapter, namely; chapter one to five. In chapter 1, generally represents the inquiry background which entails the discussion of the conceptual linkage between the dependent and the independent constructs, then specific aims and corresponding hypotheses. The significance thereof is inclusive and scope, limitations thereof is domiciled in this chapter. Chapter two is generally foundation of theories or suppositions underpinning the study in question and the empirical debates. The end result is a summary of the reviews done and a conceptual presentation is available in form of diagrammatic approach. The research approach is outlined in chapter three. This chapter provides an elaboration on the research design, including the study population, sampling approach(es), data collection methods, data analysis techniques, and ethical considerations. Chapter four of this study includes the research findings and subsequent discussions, while chapter five provides the conclusions drawn from the findings and offers recommendations based on the study's outcomes.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The connection between financial literacy and investment decision is discussed in this section from the conceptual and observed viewpoints.

2.2 Theoretical Review

Selecting an appropriate conceptual viewpoint is crucial to this study since it serves as a lens through which to evaluate the inquiry at hand and guide the development of the study's methodology. The following three theories underpin the current study, namely; goal setting theory, theory of financial literacy, theory of absolute income and theory of permanent income.

2.2.1 Financial Literacy Theory

Gallery, Newton and Palm (2011) are the proponents of this theory. In their debate, the Centre stage focused on the role of financial literacy whereby they portrayed the necessity of training consumers of financial products so that they can make sound decision on investment and financing process of their business or when making any other kind of financial decision. They argued that the attitude of intuition and cognition is adopted by those who have acquired financial literacy or education and hence the same individuals operate according to dual-process. According to Evans (2008), they are in a position to be guided by instinct and reasoning to select the best investment opportunity. On the same breath, Evans (2008) categorized the instinct thinking as system (1) and the second aspect of cognitive thinking as system (2) as backed by the dual-process theory. To place any financial decision, Stanovich and West (2000) therefore gave the aforementioned process preeminence (Gilinsky and Jude, 1994).

In this aspect of cognitive, the consumer is cautious and careful. He or she takes moves with carefulness hence slow in decision making (Stanovich & West ,2000). Secondly, system 2 involves the consumer thinking critically using the financial literacy or knowledge acquired to be more rational in selection of options. It is in system 2 where the decision maker practices confidence in understanding how financial products work and the final decision made is the empirical evidence that this person is qualified in investing. This argument is supported by the Japelli &padula (2013) two-period model. the aforementioned model advocates that anyone with financial literacy skills straight forwardly make decisions such as investment and savings which are actualized at the end of the day. In addition, on the side of households, it was also theoretically proven by Van Rooij (2011) that those individuals have more wealth and savings due to acquisition of financial literacy.

This supposition is reflected in the investment behavior of many athletes for they are seen trying to reason on the investment choice they will select on one side and assessing the risks inherent. So, according to Atkinson and Messy, (2005) this theory acts as a pointer of the direction that the investor has to take. In this mood, it is crystal clear that financial literacy equips an investor to choose investments well for they are market players and need the knowledge for transacting purposes. in conclusion, the theory supports the equipping the market participant such as the athletes to take the right investment moves which in turn overcome financial crisis such as poor saving habits and mitigation of risks associated with investment decisions. Again, the theory supports the athletes who are also market players in any economy to tap arising investment opportunities in a timely manner, enabling them again to do proper financial management of debts.

2.2.2 Absolute Income Theory

The theory of absolute revenue was established by a classical author by the name John Keynes. This was in the year 1936 (Keynes, 1936). In his supposition, he portrayed the fact that the level of marginal propensity to consume and to save by a household is pegged on the current disposable income which is directly connected and not the future income being anticipated.

The debate in this theory according to Keynes (Keynes, 1936) is that the disposable income which is the gross income of the household net of taxation directly influences the level of consumption and savings habit. Further, the assumption of the rate of consumption referred to as consumption rate and rate of saving dictates how the disposable income is channeled to each aspect of the household. The amount saved then is kept for the purposes of precautionary needs such as emergencies such as when an athlete gets a physical injury and hence becomes unemployed or and for spending after retirement a case which one can anticipate at the current time.

This theory is in support of the reserves and speculation affiliated variable quantity for the theory advocates of disposable gains which is income that remains after taxation takes place, then the balance is divided in to two depending on the marginal propensity to consume. Such that if the MPC is less than one, then some of the income of the individual will be saved and what is saved dictates the amount invested. So, there is a direct link between the level of savings habit and the investment decision which are both the independent and the dependent variables in this study respectively.

2.2.3 Permanent Income hypothesis

The aforementioned supposition was an advancement on the absolute income theory by Keynes. The proponent of PIH was Friedman (1957) and he further went contrary to other theories aforementioned and suggested that the level of consumption and saving (hence savings habit) is directly influenced by the permanent income a household gets and not absolute or relative income viewpoint. According to Friedman (1957) permanent income is the wealth accumulation one has on average and it strongly and directly influences consumption and saving habit in comparison to the other forms of household revenues.

Therefore, this theory is in support of level of income directly influencing the consumption and savings habit of the athletes based on permanency of the income. In other words, the theory supports the current study for the athlete's life is not a one-time life span but it cuts across several longer period from youth to adult then to the stage of retirement where one would like to utilize the wealth acquired at the young age. So, the permanent income hypothesis portrays the connection between advancement in years or age of the athlete and the accumulation of wealth through investment decisions.

2.3 Empirical Literature Review

The appraisal covers past similar empirical studies which were undertaken by other scholars with interest in financial literacy and investment decision amongst diver's players across the globe. The section pinpoints the specific conceptual, methodological and contextual research gaps identified which are summed up in a table. At the same time the section portrays the diagrammatic conceptual linkages of explanatory and outcome variables of the inquiry at hand.

2.3.1 Financial Knowledge and Investment Decision

This interrogation has an interest on the level of penetration of financial literacy aspect amongst the young aged individuals. Many studies have been undertaken which cut across diverse fields both internationally, regionally and locally.

Hong and Fraser (2021) incorporated athletes from Japan, Mexico, Portugal, Singapore, South Korea, and UK to investigate on the connection between financial literacy and self-driven skills of managerial nature acquired by over-performing sportspersons in countries such as during their active sports career time. To achieve this aim, the data collected was from the already retired athletes. They were twenty in number, with a ratio of 10:10 for male and female in that order. The factors that were found to significantly affect their management skills and by extension their investment behavior was; battles arising due to conflicts in funding of the races of concern which brought other issues of financial misjudgments. Two, the aspect of coping strategies from the peers to be able to make decisions. The aspect of support from those who finance the games one plays or participates in. such as parents and other interested firms. Another factor is financial literacy establishment and lastly is the aspect of life after retirement from the sports world. The study concluded that the causes of financial distress amongst the athletes was lack of scholarships, enough funding and shortages in opportunities to participate. Therefore, the extra managerial skills were as a result of learning through trial and error and also self-training out of self-initiative. The current study will use active athletes both nationally and internationally to establish how financial knowledge acquired throughout their lifetime affect investment decisions.

Zhao and Zhang (2021) purposed to find out the degree of influence of both financial literacy and investment in cryptocurrency investment character. The aim was to

discover the most influential explanatory variables. Data collection was emanating from a survey data of 2018 National Financial Capability composed of details of USA individual investors. Hierarchical research analysis was undertaken which was logistic by nature. Intermediation analysis was also conducted based on the commonly known Karlson Holm Breen (KHB) methodology. So, in this inquiry, investment experience in cryptocurrency was used as the mediating variable. The research outcome portrayed that there was a direct influence of financial literacy on the investment decision amongst the professional athletes. On the other hand, the investment experience in cryptocurrency portrayed an intervening effect of the relationship between financial literacy and investment decisions. Further clarification showed that the aspect of investment experience referred to as risky asset holding had statistically significant effect thereof. This study main focus was investment in cryptocurrency however the current study will focus on different types of investment.

In India, a study undertaken by Shaik, Kethan, Jaggaiah and Khizerulla (2022) interrogated on the conceptual viewpoint of financial literacy and investment characteristics associated with the information technology gurus. The aim of this inquiry was to establish the causes of such increased investment phenomenon amongst young professionals. The study considered the structured survey to collect information from this team. To achieve this objective, the study considered the following investment options with varying risk-return benefits. This included the deposits placed in the commercial banks, ordinary shares, funds from mutual organizations, savings placed with the post office, insurance covers, precious stones such as gold and silver etc. The outcome of those efforts was that safety levels and level of gains contributed significantly to the pattern of investing. Other key factor contributors were the growth rate of the capital invested, liquidity aspects of the assets and how much available is the

investment opportunities. Lastly, the aspect of tax-shield gains was factored in. However this study was carried out in a developed country and therefore the study findings cannot be generalized to developing countries such as Kenya.

Waheed, Ahmed, Saleem, Din and Ahmed, (2020) had a concern conceptualization of financial literacy level of investors and the degree to which they had invested in common stocks. The participants in this study was professional investors. The main study model was added a mediating variable by the name risk perspective. The survey was carried out amongst the investors in Pakistan securities exchange. 287 investors were chosen to represent the sample size which for your information was selected with an aid of random and convenient sampling method. Data collection was done with a help of structured questionnaire. Data analysis was twofold, using correlation and inferential approach. It was realized that investment decisions process amongst the participants was statistically impacted by the degree of penetration of financial literacy. Lastly, the aspect of risk perspective significantly mediated the main model. The current study will determine how financial literacy through knowledge management affect athletes investment decision.

In Ethiopia Elifneh (2021) surveyed the side by side of basic financial literacy young personalities who were schooling in secondary schools located in Addis Ababa. To achieve the set objectives, structured questionnaire was utilized to collect data which entailed questions associated to financial literacy acquired by those secondary school youngsters in Ethiopia. The tool of data collection was a model from Lusardi and Mitchell, (2005) with a little bit of some modification borrowed from Van Rooij, Lusardi and Alessie, (2011) whose contents were aspects of basic financial literacy which was numeric in nature, aspects of interest charge compounding, level of inflation

or general price changes with the consumer goods, time value for money and cash money illusions. The outcome of the research efforts showed that literacy amongst the research participants was at its lowest ebb. That is the youngsters. Actually, this team had little knowledge of the basic financial literacy aspects such as general increase in prices in the economy, time value of money and illusion on cash balances. However this study investigated the financial literacy among secondary school pupils while the current study will investigate the financial literacy among people with formal and informal education.

In a similar study to that of ELifneh (2021) in Ethiopia, Solomon, Nhete and Sithole (2018) analyzed the financial literacy amongst high school learners as pertaining the curriculum addressing the personal financial literacy. The research findings revealed that there was a study gap where by the schools did not have any official financial literacy curriculum to be adopted by those students. The only aspects of financial literacy that the study established was trainings on benefits on financial literacy amongst high school students. From both studies in Ethiopia and Botswana carried out by ELifneh (2021) and Solomon, Nhete and Sithole (2018) it shows that most young professionals get into games and start making money without well informed investment ideas for even in their lower levels of education they lack the financial literacy preparedness. The current study aims at including such a scaliber of young people in the investigation to establish the conceptual link between the financial literacy on financial instruments they know and the options they know they can utilize in investing their financial resources.

Jaco (2022) sought to find out the degree of reliance on advisory services from a network of monetarist management experts by the end users in managing sports and leisure trade off scenario amongst professional athletes. The mainframe aim of the inquiry was to find out how well suiting the aspect of financial literacy had on financial decision-making process of those athletes. Data collection was undertaken from the selected sample size of 27 athletes by use of face-to-face interview schedules which was well structured and the process of research took the two-stage model where by the step of collecting face to face data was the first level. Then the second stage involved establishment of artefact with an aim of checking the impact of financial literacy acquired by the well-trained athletes who were professionals by all standards. The study relied on design science which availed overarching research methodology. As a result, 10 athletes were selected in the second round. This numbers were arrived at by use of purposive sampling method for the interviewer was to get in touch with the right player. The outcome of the study showed that individual peer athletes continued to make decisions on investment matters without any influence from the others in the same network. The current study will use stratified sampling to arrive at sample size and a structured questionnaire among elite athletes to determine how financial literacy affect investment decisions

2.3.2 Saving Habit and Investment Decision

In USA, a study was undertaken by Bayuk and Altobello (2019) whose purpose was to find out the linkage of the gamification activities and savings level of an individual which promote the individuals' financial well-being. Preliminary survey was utilized to set the research problem. The targeted sample was the college students. To carry out this study, the participants needed to have the gaming application in their smart phones. The concern was to establish if the use of the gaming app in the phone prompted

financial gain which in turn resulted to motivation of the one interrogated to save after getting real money. Findings showed that the following individual aspects were contributing to the savings habit. That is financial literacy, existence of gambling application in the phone, and subjective knowhow. All these factors significantly prompted increased saving behavior. The current study endeavored to find out how saving habits influence investment decisions among the elite athletes in Kenya which is a developing country as compared to USA which is a developed country and therefore the participants are exposed to different settings which affect financial literacy

This inquiry was concerned of the conceptual linkage between savings and decisions on investing in the future amongst middle- and long-distance elite athletes. The researcher was prompted to examine the findings of a study conducted by Maseko and Surujlal (2018) in order to assess the influence of financial literacy, particularly in relation to financial planning, on the financial management abilities of professional soccer players in South Africa. The study research question was concerned to justify why financial literacy is of paramount importance specifically to those sportsmen and women with a common characteristic of experiencing a short-term sports career. The inquiry fused a research design during the inquiry problem development referred to as quantitative research plan. Questionnaires were the main data collection instrument. After data analysis, it was established that minus financial literacy in the life of professional soccer player means no viable investment decision can be put in to place. Hence the process of transition to retirement is bound to be frustrating. This inquiry engrossed on the conclusion that most professional soccer players have poor investment plans due to lack of appropriate financial literacy. The current study used descriptive design research design to establish if financial literacy in terms of savings habits was pegged on the individual's saving motive such as retirement in the future and individual initiative to

carry out entrepreneurship for growth of revenue and how it significantly influence investment decision.

Kimaiyo, (2021) interrogated the financial literacy and savings conceptual concerns amongst the Kenyan based households. This was the mainstream reason. Other aims were to evaluate financial education penetration levels amongst households in the Kenyan context. Lastly to exploit the other causes of saving practices amongst the same group of participants. Data utilized was of secondary nature which was for the year 2019 of Fin access survey of the national level. To analyze data, the study considered regression model of probit nature. The study outcome showed that the households aforementioned had very low level of financial literacy especially those who save to repay their debts and the status could not help them manage their financial obligations such as debts. This was noted amongst those females aged 60 years and those with no education in general. The ones getting good salaries and living in cities and towns showed a high level of financial knowledge in comparison to the aforementioned counterparts. The study portrayed that the financial literacy level significantly and directly influenced the saving habits of the participants interrogated in this study. Additional factors affecting savings habits were the individual's age level, level of education, the work one does, the size of the family one has, mobile money usage and the aggregate income.

Ndungu and Abdul (2022) considered the Kenya Power Lighting (KPLC) company limited athletes in interrogating the degree of impacting of financial literacy on their investment decisions that they make. The mainstream aim of the inquiry was as follows; to launch the scope to which savings habit, understandability in financial skills and financial alertness and level of financial attitude influence investment policies of the individuals. The development of the research problem was aided as a result of adopting descriptive research design. 396 KPLC athletes were considered in Nairobi city out of

which 18 of them represented the sample size. The sample athletes picked were 126 in number for the financial year 2020/2021. This study was a one year's venture. The 126 players selected was through a sampling methodology of random nature. Structured questionnaire was utilized to access data. Descriptive and inferential analysis was undertaken. Findings showed that the savings habit, knowledge in financial management, financial alertness and attitude had a direct link with investment decision which was significant. However this findings cannot be generalized since the study incorporated athletes from one parastatal in Kenya, therefore the current study made an inquiry in from athletes in different sectors.

Karanja (2019) investigated on the driving force which significantly influence the decision to invest over the life cycle of an individual. The study relied on the mixed approach to investigate. Questionnaires were the main toll for data collection. The population relied upon by the investigator was a combination of persons who were faculty members, students and the administration crew of private Varsities. Chi square was used to do data analysis. It was revealed that one's age significantly influenced investment decisions. That is if one is for example of less than 25 years the main goal was academics and not investment. This is contrary to those of the age between 41-60 years. The target of these individuals is to save for retirement. Again, savings also dictated investment such that the more the savings the more the level of investment. There exists one, a contextual gap for Karanja (2019) focused on the pattern of investing on several investment options across all ages of athletes in the country of concern. That is Kenya. Two, the inquiry relied on correlational and regression methodologies for data collection. The current study will use logistic regression as stated earlier on and data will be collected for only the middle and long distance young elite athletes but not the retired ones. The current investigation will further interrogate whether the

investment choices made by the selected athletes ranged between real estate, business and financial assets

2.3.3 Investment Opportunities Awareness and Investment Decision

In USA, a study was conducted by Khan, Rabbani, and Kadoya, (2020) to determine whether there exists any logic of financial literacy and investment connectivity of any logic in financial marketplaces located in America. Probit data analysis tool was of paramount importance in testing the null hypotheses. The model carried binary response for investment decision was gauged using measurement tools such as ordinary shares, investment trust instruments, futures options financial instruments, government bonds assets which are of foreign venture. Other financial instrument was corporate bond and foreign currency. The value of dependent variable is measured using dummy variables of one or zero. Such that if an individual has invested in one option the option of zero. However the current study investigated the state of investment opportunities awareness on investment decision in developing country.

Huml, Gellock and Lecrom (2020) had investigative concerns on how students invested their resources in academics and athletics. So, the researchers formed a research problem to find out the connection between investment in academia and sports on the aspect of sense of belonging in particular athletics. The investigation was carried out in step-by-step basis. In the first place, the sample selected was 238 sportspersons who were students. They were interrogated on certain athlete aspect and due to incomplete responses, the number was screened downwards to 207. This sample size was appropriate according to the recommendation given by Kline (2015) who suggested that at least 200 sample size is okay for generalization of results when using Structural Equation Modeling (SEM) for analysis. Further test was also carried out to confirm the

fitness of the general model and in this case Confirmatory Factor Analysis (CFA) was utilized. Results showed that investment in both academia and sports was a key driver to variations on the sense of belonging in school which was inverse. That is the more the students' athletes concentrated on investment in academia and sports, the less they felt the sense of belonging in campus. This study investigated on investment opportunities awareness among academia and its findings cannot be generalized to the elite athletes.

In Poland, Swiecka, Yeşildağ, Özen and Grima (2020) the financial literacy to financial sustainability linkage of individuals of concern. The study focused on the following specific participants, namely; individual persons, family units, business units and the national economy or country. The assessment of the level of financial literacy for Poland students in school based on age levels was the thematic issue in this inquiry. That is the sample selected had common characteristics of being at the age between 15-16 years. The data was gathered through the utilization of a structured questionnaire, which served as the primary method for data collection. The questionnaire had inquiries pertaining to several areas of monetary matters, including monetary information, monetary aid, monetary confidence, monetary performance, and monetary knowledge acquired by young individuals. Methodology used was Pencil and Paper Interview (PAPI). Findings presented that the level of financial literacy adoption by the students was mild amongst them and the knowledge helped them in making rational investment decision making. The current study will collect primary data through a structured questionnaire to find out how investment opportunities awareness affect investment decisions among elite athletes.

In Indonesia, Jessica, Anastasia and Pertiwi, (2022) interrogated the aspect of financial literacy and financial character (of being an investor) conceptual views for the basketball athletes. The concern of the researcher was to establish the level of financial satisfaction amongst those professional sportsmen and women in Indonesia where associative analysis method was utilized. The target population was the registered professional athletes in Indonesia who participated in the basketball league organized by Perbasi (ie Indonesian Basketball League-IBL) in the year 2021. Sampling was carried out the researchers came up with 177 participants. To qualify for the research participation, the sports professionals were supposed to prove they were carrying investment activities by being in possession of bank credit cards and had an investment activity running. A structured questionnaire was found useful for data collection. For data analysis, the model of Partial Least Square (PLS) version was utilized to do the analysis. Outcome displayed that financial literacy level dictated on the level of investment behavior in a direct and significant manner.

In a study conducted by Oteng (2019), an examination was undertaken to investigate the many elements that exerted effect on traders situated inside the Techiman Municipality in the Bono East region, specifically in relation to their decision-making processes about investments. This research was conducted in Ghana with the following specific objectives: to determine the level of adoption of financial literacy in investment matters, and to identify the factors influencing investment decision-making among traders in the region. So, to carry out this study, the researcher considered liquidity, inflation rate, interest rate or charge and risk and reward aspects as the probable factors causing the way traders in Ghana make investment decisions. The population targeted had one thing in common, they all traded from Techiman Municipality in Bono East region. 150 traders from this region were considered sufficient sample size. The

aforementioned size was arrived at by use of convenience sampling methodology. The selection of the study problem was informed by the utilization of a descriptive survey research strategy. Regression and correlation were performed and the outcome portrayed that the traders relied much on the advice and recommendations given to them by their financial advisors and financial analysts. Again, the traders did not seem to understand the concepts of liquidity, inflation rate, interest rate or charge and risk and reward aspects and therefore it was concluded that they had low financial literacy levels on this issue. This study expect to find out how financial literacy infor investment opportunity awareness on investment decisions on various options.

In Ethiopia, the study by Assefa and Rao (2018) interrogated financial literacy and decisions related to individual's investment logic. The participants were the salaried people who were subjected to diverse avenues for investment. Covenant sampling approach was utilized to come up with the sample size which was 209 workers located in Wolaita Sodo town, Ethiopia. Data of primary nature was collected relying on structured questionnaire. Again, data analysis was performed using Chi square approach. The study findings portrayed that the investment decisions to be made by an individual was driven by the degree to which financial literacy had influenced it. In this case, it was established that the level of literacy was too low to make any impact in convincing the salaried people to invest in the available opportunities. Further, the preference to invest in bonds which are government-based securities was directly associated with the literacy level. However, the study findings cannot be generalized to elite's athletes who are salaries and earn more through participation in athletics

Biwott, Sakataka and Wanyonyi (2019) assessed the extent to which knowledge on investment matters influence the financial performance of Elgeyo Marakwet County

based athletes in Kenya. The study developed some specific aims which were; establishment of the influence level of investment skills that athletes have on their long-lived financial performance. The locale of the subject matter/unit of analysis was Elgeyo Marakwet County where the professional sportsmen and sportswomen camped for trainings. Elgeyo Marakwet is one out of the total 47 counties in Kenya. The research results portrayed that 63/100 of the professionals did not have savings with any financial institution. The implication thereof is that the saving culture amongst the majority of the athletes was low and not impressive. Again, majority of the athletes did not have any plans for retirement and this was empirically proved due to lack of retirement accounts which was a 62% as compared to the whole population under study. The current study will establish whether the investment opportunity awareness among elite athletes affected investment decisions

2.4 Summary of Literature Review and Research Gap

The relationship between financial literacy and investment decision has been widely discussed by many scholars. However, there has been many gaps of conceptual, methodological and contextual nature that has been pinpointed. The current study has highlighted the gaps as summarized in the Table 2.1 as shown below;

Table 2.1: Summary of Literature Review and Research Gaps

Name of the Author(s) (years)	Research Topic	Research Findings	Research Gaps	The focus of the current study
Jaco (2022)	Financial decisions amongst athletes and sustainable financial well-being, through management of the aspects of sport and leisure issues.	It was portrayed that although the professional athletes got advise from their financial advisors within their networks, they absolutely relied on their own financial decisions criteria they choose.	The aforementioned study focused much on financial literacy acquired through educational curriculum or training programs through financial management trainers such as network of advisors. But most professional players have not attended formal educational training. Hence this research findings may not universally generalize the conceptual link of financial literacy to investment decision connection.	Further concerns have been raised by the current study on the middle and long-distance elite athletes' financial knowledge levels of as far as knowledge of financial instruments and knowledge of investing options and the extent this influence their respective investment decisions.
Zhao & Zhang (2021)	Financial literacy and cryptocurrency investment experience linkage behavior	It was revealed that financial knowledge had direct connection on cryptocurrency investment. On the other hand, investment experience	This particular inquiry ignored other options that investors could venture in to diversify their	The current study is considering the degree of influence of knowledge of financial instruments and investing options

		portrayed significant intervening effect on the connection between the aforementioned two variables (independent and dependent)	portfolio. This is in compliance to the Harry Markowitz Modern Portfolio Theory (MPT).	influence investment decision amongst athletes. The study has incorporated the aspect of individual investors having various options to invest his or her financial resources.
Shaik, et al. (2022)	Interrogated the financial literacy and investment conceptual viewpoint for Information Technology (IT) professionals.	Established that investment behavior was impacted by the aspects of safety, return levels of an investment, growth of capital, risk levels associated to an investment opportunity, liquidity of assets forming the portfolio, tax benefits and convenience.	The study focused on professionals in IT which implies these young generation was subjected to formal education hence chances of interacting with formal training on investment was high. For the other individuals who are professional athletes may not have a chance to interact with formal educational training on investment.	The current study focuses on considering the inclusion of those athletes who have financial literacy which may not necessarily be due to attending school or higher levels of education and the extent to which this skill aid in making investment decision.
Kumari (2020)	The study looked at the investment decisions among undergraduates in the western province in Sri Lanka and the extent to which it was impacted by	The undergraduates' investment decision making process was directly impacted by the financial literacy gotten by them.	The study concentrated on students in the university and effectively captured the aspects of financial literacy as far	The current study will focus on the conceptual argument of financial literacy and decision making on matters of

	financial literacy acquired.		as investment products are concerned. Nevertheless, there is a conceptual gap to be filled on financial literacy to investment decision linkage.	investment. In this case, regression method to be utilized is logistic model for estimation of the observed changes in the dependent variable identified.
Maseko and Surujlal (2018)	The inquiry sought to establish whether personal financial management of South African professional soccer players had any significant link to financial planning skills the players had gotten.	Most players lacked financial knowledge. As a result, they were not in a position to seamlessly transition into retirement.	This study focused on the conclusion that the reason of poor investment practices amongst professional soccer players was due to lack of financial literacy. This raises concern on whether investment awareness and saving habits play any role in promoting investment decisions for athletes.	This study will further interrogate if financial literacy in terms of savings habits pegged on the individual's saving motive such as retirement in the future and individual initiative to carry out entrepreneurship for growth of revenue can significantly influence investment decision. Logistic regression will be utilized to achieve this objective.
Kimaiyo, (2021)	Financial literacy and savings habits amongst Kenyan households.	Financial literacy amongst the participants directly influenced household savings in a significant manner. Also, the age of individuals, level of education, job	The study focused on the Kenyan household in general and how financial literacy influenced their savings habits. The study did not consider savings as a predictor	The current study will use logistic regression to analyze the data than probit methodology as used by Kimaiyo, (2021). Generally, the method of probit is commonly used

		occupation, size of the household, mobile money usage, sex and level of income significantly influenced savings habits.	variable for investment	in events which are scarce such as aircraft crash. On the other hand, logistic regression is more appropriate for cases where the outcome expected assumes two option observations.
Bayuk & Altobello (2019)	Assessed the relationship between potential paybacks of using application of game-playing elements in smartphones and the corresponding variations of financial health of individual professional players leading to saving habits.	The research findings for the aforementioned study in USA portrayed that all the aspects of financial awareness selected. That is; monetary concern, monetary literateness, individual information and knowhow with money-savings/financial applications justified empirically why financial well-being had a significant change.	Both studies of Kimaiyo, (2021) and Bayuk and Altobello (2019) represents a conceptual gap for the two studies considered savings habit as the dependent variable.	In the current study, savings habit is considered as a predictor of investment decisions amongst athletes. Again, the study will be considered in the Kenyan context.
Ndungu and Abdul (2022)	Financial literacy determinants of personal investment decisions. A case of KPL players in Nairobi.	Aimed at conceptualizing on financial literacy-investment decisions process among football premier league players based in Kenya. Savings choices, financial acquaintance	The sample size of this study was 396 athletes who participated in playing football for KPL within a period of one-year ie 2020/2021. It was a study for one calendar	Further interrogation to find out if a relationship exists between Kenyan athletes' financial literacy levels in terms of savings habits driven by the motive of one's future retirement life style is concerned and investment

		and aids, fiscal consciousness and financial boldness was used to gauge financial literacy.	period of 2020 to 2021. Within this period very little could be observed for data analysis to give valid results. The period needed to be not less than 5 years.	decision such as capital outlay on real estate, start of business and financial assets is concerned. This study will consider a time span of five years the athlete has been in the respective professional career.
Karanja (2019)	The linkage between individual's investment performance of over the lifecycle.	The youth who were aged below 25 years aimed at investing in education, do some savings and meet basic needs. The investment assets held by this group were saving accounts.	There exists a contextual gap for Karanja (2019) focused on the pattern of investing on several investment options across all ages of athletes in Kenya. Also considering savings as an investment option is not theoretically alright for in concept, savings is on supply side while investment is a demand component.	The current study will further interrogate whether the investment choices made by the selected athletes ranged between real estate, business and financial assets.
Assefa & Rao (2018)	Focused on identification of the level of financial literacy and further examined financial knowledge as predictor to investment avenues in Ethiopia for the	Investment preference of salaried employees towards various investment avenues, was not dictated by financial literacy level of individuals had acquired which was found to be	The study focused on the educated professionals with a salary. The concern that remains unaddressed is whether financial literacy of the unschooled and those	The current study is considering bridging contextual gap represented by the educated respondents who earn salaries from their respective employers and focus on both

	salaried employees	low. Only the case of investment decision on government bonds.	who don't have salary can dictate the investment preference.	the financial literacy for both schooled and the unschooled.
Khan, Rabbani, and Kadoya, (2020)	The topic was on financial knowledge viz Avii investment performance in the financial bourses in America.	Investment in financial bourse in America was influenced by the financial education acquired. Such that the higher the level of financial literacy, the more the chances of the financially alert people in US chose to invest in the markets.	It was a USA based study which focused on whether financial literacy influenced investment activities in the financial market. The study was general and did not address the mater of athlete investment aspect	The current study will be investigating if the financially literate athletes will also equally likely to invest in real estate, business as pertains financial markets. This inquiry will focus on the Kenyan athletes located in different camps but actively involved in their respective game.
Oteng (2019)	Determinants of decisions on investment matters for Ghanaian traders.	Findings showed that the traders fully relied on the financial advices and guidelines gotten from their financial advisors to investment.	Oteng (2019) focused on traders' level of knowledge on investment in the Techiman Municipality in Ghana,	The current study will consider financial literate athletes in Kenya where by being financially elite has to do with having investment knowledge which can either be acquired from training or from friends and or relatives.
Swiecka, et al. (2020)	Find out the Poland high school students financial literacy levels and whether that literacy changes according to sex.	It was revealed that the youth of Poland had mixed outcome on the extent to which they appreciated the level of	The Poland based study endeavored to estimate the variations in gender aspect amongst	The conceptual gap to be filled will entail expunging gender aspect and incorporate investment decision made

		financial literacy that they possessed. In conclusion, in their financial decision making, they were found to be logical.	young students using financial literacy. Although most studies revealed by the current study rotate around age and gender of the athletes, the results gotten by the study by Swiecka et al (2020) may not provide information on the status of investment amongst young generation even if they more financial literacy.	by young professional athletes especially the ones dominating the middle and long-distance games.
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Source: Researcher (2024)

2.5 Conceptual Framework

This is the illustrative representation of the connection amid autonomous variables and reliant on variable in an inquiry. In this research proposal, the dependent variable is investment choice among middle- and long-distance elite athletes. While the independent variable is financial literacy as described by Financial Knowledge, Saving Habit and Investment Opportunities Awareness as designated in Figure 2.1 below;

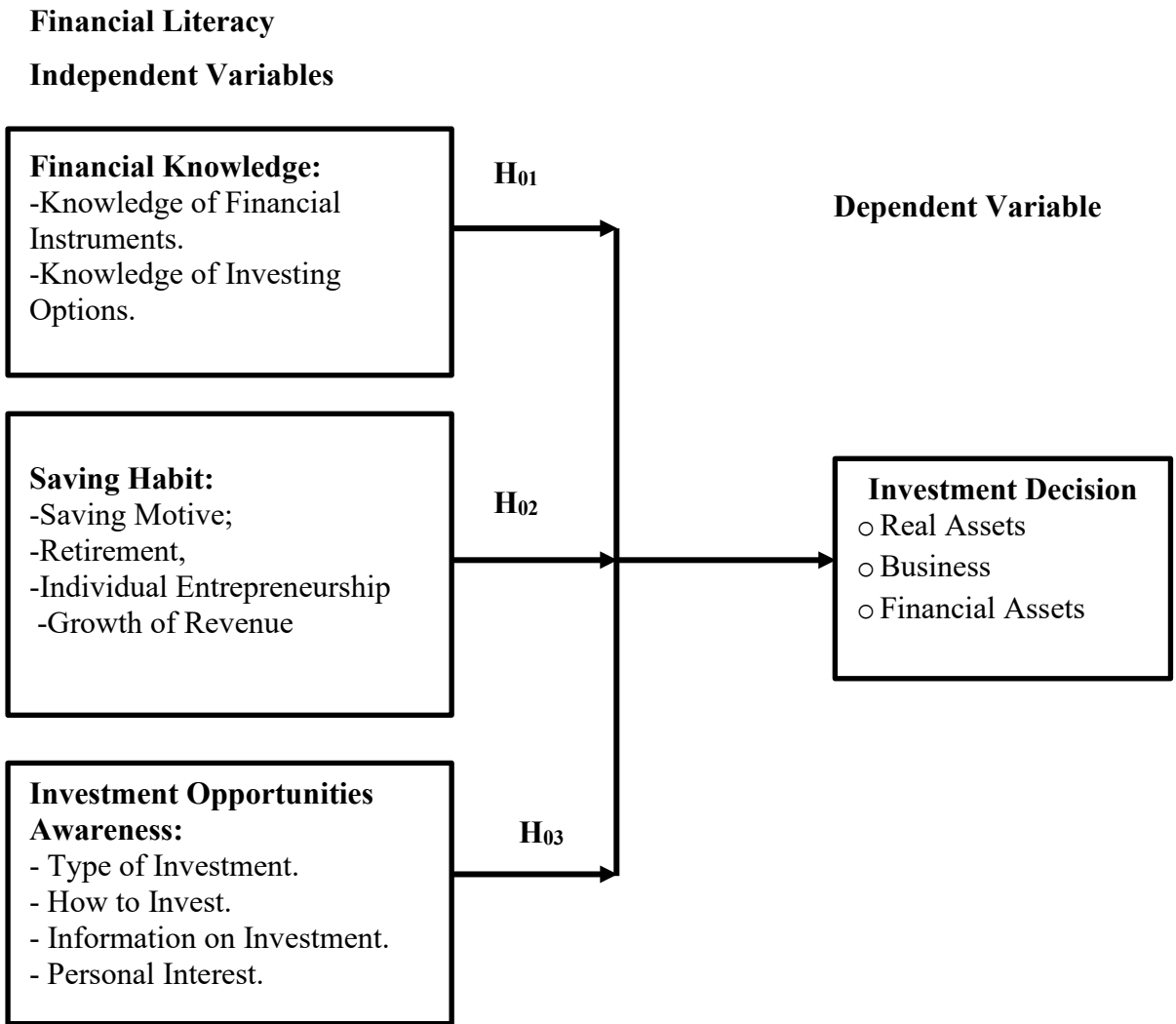


Figure 2.1: Conceptual Framework

Source: Researcher (2024)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This part covers the techniques and methods which were used to get the necessary results to verify the hypothesis of our research. This chapter describes the design utilized to develop the study problem, study universe or population, how sampling of the population was done to arrive at a true representative sample size, empirical model, reliability and validity, diagnostic test and data collection.

3.2 Research Design

The current study made use of descriptive research design. The plan entails data collection of primary data. This design is supported by Kothari, (2004) who argue that descriptive surveys are more suitable when using questionnaires.

3.3 Target Population

The study will target 1,695 elite athletes residing in Uasin Gishu and Nandi County camps located in North Rift, Kenya. A population is a universe and have got unit of analysis which have common characteristics. So, to qualify as a respondent one should have resided in the exercise camps for not less than three months of either the twelve months of the five (5) year period between 2018 to 2022 and have participated in either the two levels or either one within that same period. The study excluded athletes who were absent from the gathering of athletes when data was collected (Kathure, Bukhala and Konyole, 2022).

3.4 Sample Size and Sampling Procedure

From the target population, the specific research respondents were identified with use of Yamane equation, (Yamane formula, 1973). The sample size of 318 athletes were used for data collection in the three Counties, namely; Elgeyo Marakwet Nandi and Uashi Gishu were identified. To achieve this sample size, stratified random sampling method were relied upon by the researcher to select the athletes to participate out of the 1,695 which is the population total numbers. Table 3.1 provides a summary to that effect. The full list of the athletes was as indicated in Appendix III

Table 3.1: Sampling Procedure

	COUNTY	POPULATION	SAMPLE SIZE	%
	ELGEYO MARAKWET	1,261	237	74
	NANDI	394	74	23
	UASIN GISHU	40	7	03
		1,695	318	100

As per Table 3.1, out of 1,695 sportsmen/women, 318 of them were interrogated to provide the necessary data. This comprise of the following professional sportspersons located in the three counties in Kenya, falling under different training camps/stratus namely; Elgeyo Marakwet, Nandi and Uasin Gishu Counties. The Yamane formula (Yamane, 1973) was used to identify the sports professional the current study wants to utilize for analysis. This is as indicated below

The Yamane 1973 formula;

$$n = N / (1 + Ne^2)$$

$$n = (N / (1 + Ne^2))$$

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{1.695}{1 + 1,695 * .05^2} = 318$$

Whereby;

n is the selected or desired size of the sample.

N is population

e is the Margin of error (i.e., M. o. E.), and it can assume the following variety of values; (.10, .05 or 0.01). The current inquiry will make use of 0.05 significance level.

It is after the sample size has been identified using the aforementioned equation that the stratified random sampling is utilized to pick those specific athletes to fill the questionnaires. That is the 318 middle- and long-distance elite athletes. The study will utilize purposive sampling method.

3.5 Data Collection Instruments

The scientific query will involve collection of primary data using structured questionnaires as instruments which will be issued to the corresponding elite athletes in the identified training camps. The questions engraved in the questionnaires are in tandem with the study variables. Further, the questionnaire has been demarcated in to two parts and each part further segmented into sections. Part, one has Section A only and it addresses demographic aspect of the unit of analysis which is the two categories of elite athletes.

Part two has five sections which entail section A to D. Section A comprise of questions describing financial knowledge with the aim of interrogating whether the nature of the financial knowledge aids in making of investment decisions amongst the elite athletes. Section B entails questions relating to savings habit an athlete has basically acquired from peers, relatives or from friend or contractually acquired. The essence of such questions is to assess the investing mentality the athlete has as per that period.

Section C consists of questions relating to investment opportunities awareness which help the researcher understand the level of investment information availability to the athletes and which in turn may positively or negatively affect investment decisions. Section D contain questions relating to investment decisions. Section D has been incorporated to help in testing whether the athlete has invested in either real assets, business or financial assets.

3.5.1 Pilot Study

When undertaking a pilot test, it is advisable to consider the size of the sample of at least 1% and a maximum of 10% of the mainstream sample selected scientifically. This is according to the supposition brought forward by (Mugenda and Mugenda, 2009). This is of paramount importance when determining the questionnaires validity and reliability levels before going to collect the actual data. Therefore, based on the aforementioned viewpoint, this study will use 32 members of the study participants who will fill the questionnaire which represented 10% of the sample size. This will be sufficient. The athletes chosen are 10% of the total elite athletes' sample size of 318 which translates to 32 athletes with homogeneous characteristics in Trans Nzoia County. So, the pilot study questionnaires will be distributed to respondents in Trans Nzoia County using research assistants. Since the pilot study will rely on the 32 athletes, that number will be excluded during data collection for the purposes of study set objectives. Therefore, the total respondents will remain at 318.

If on collecting data for validity and reliability test to approve functionality of the questionnaire will still not be up to satisfaction, the outcome in this pilot test will further be relied upon to improve the questionnaire. The main guideline to follow when improving the aspects aforementioned are, namely; the aspect of comprehension,

relevance viewpoint, interpretability aspect of the questionnaire and the extent to which the questionnaire is paramount based on the set goals by the study in question.

3.5.2 Validity of the Research Instrument

Matters of data validity are key in any study. The debate of Bairagi and Munot, (2019) and Creswell, (2012) as far as term validity is concerned, it refers to the amount to which an examination measures the recognized study variable in a correct or appropriate manner. Data collection instruments should be verified for content and constructs validity equally (Mason and Bramble, 1989).

Content validity measures the correctness of the tool for data collection for this matter the questionnaire to confirm that the value which is attached to a variable it is approximating, is a factually typical in value of the complete content of the object being projected. The construct viewpoint or validity will be relied upon to ensure that the question clarity exists. It will be ensured that the level of ambiguity of such questions is kept at bay. This will be achieved by having the supervisor checking through to confirm that the set objectives, conceptual framework and questionnaire contents are all in harmony with each other.

3.5.3 Reliability of the Research Instrument

Cronbach's Alpha, a widely recognized measure, is utilized as an index value to evaluate the dependability of a research instrument. A certain level of percentage gotten after testing the instrument will either give evidence whether the instrument is reliable or otherwise. So, the internal consistency of the variables is as per the expectations when the value arrived at is derived at. The commonly used reliability coefficient of 0.7 is preferable should not exceed 1.00 of Cronbach Alpha (Cronbach, 1951; Orodho, 2009 and Drost, 2012).

3.6 Data Collection Procedure

The methodology to be used during data collect is paramount for if the data collected is not sufficient enough to represent the population, the aspect of biasness comes in (Mohajan, 2018). Therefore, the study will use research assistants so as to sufficiently and effectively collect the right quantity of data. To achieve this objective, the researcher will take an initiative of training the research assistant team so as to understand on the methodology appropriate to gather the data required. This will take duration of at least one day and a maximum of seven working days as it is planned.

The researcher dropped and picked the questionnaires after the respondents had filled them. The procedure of achieving this objective involved presenting an official letter for introduction purposes before the respondents. The researcher relied much on the permit issued by NACOSTI so that authenticity is guaranteed during the whole process.

3.7 Data Analysis and Presentation

This is the section where both diagnostic and inferential data analysis is performed. The study considered testing whether the data collected has valid. This involved carrying out normality test which include homoscedasticity and multicollinearity being tested. Then descriptive and inferential test follows.

3.8 Diagnostic Tests

The study carried out a pre-logistic regression assumption test, as follows, namely; test for normality, another one is the test for multicollinearity and lastly the test of heteroscedasticity.

3.8.1 Normality test

The test for normality assumption is pivotal for if the test proves all is well, it will imply that the researcher did not collect the data from a biased viewpoint and this means the

data is reliable and maintains validity. This study used histogram, and normality plot tests.

3.8.2 Multicollinearity test

Another crucial examination that the study prioritized is the assessment of multicollinearity. Multicollinearity refers to a condition in which the predictor variables in a model exhibit a high degree of correlation among themselves. It is a common scenario especially when there is biasness in data collection processes such that the data is collected from the same physical region or from close respondents. (Jingyu li, 2003). To examine for this aspect, Variance Inflation Factor (VIF) was used.

3.8.3 Homoscedasticity test

The other diagnostic test that will be performed is homoscedasticity which means literally, same variance. This is a circumstance where an error term assumes equal values across all the predictor variable quantity (Hair, William, Barry and Anderson, 2006). For the purpose of the expected results, modified Wald test was used. In case homoscedasticity is lacking, we say the data is experiencing the opposite situation of heteroscedasticity.

3.9 Inferential Analysis

This data analysis section entails test of descriptive and inferential nature. After diagnostic test holistically proves that the data is valid, the next move is to test for the general movement of the study variable which is descriptive approach. In this case, measures of central tendency such as frequency and mean will be utilized. Then those measures of dispersion such as standard deviation will be utilized.

Null hypotheses will be tested using multiple regression analysis. In this case, inferential statistics such as Fisher-test (F-Test) will be utilized to test the whole equation or to test best of fit. R^2 is a coefficient of determination used to show best of fit. Then the test of the slope statistic commonly referred to as beta coefficient will be incorporated in this study.

3.10 Empirical Model

Investment decision can be explained by the following factors: Financial knowledge, saving habit, investment opportunities awareness. Since these variables will not be observed in isolation, a multivariate analysis was carried out to understand the full picture.

This study used the logistic regression model whereby the predicted variable is categorical, meaning it's a probability model.

In the theoretical logistic regression, the probability p given the values of the explanatory variables X is as follow: $P(Y = 1/X) = f(X)$ (Fabozzi, Focardi, Rachev, & Arshanapalli, 2014).

Where Y = Dependent variable

X =Independent variables

In the present study, the logistic regression is formulated as follow:

$$\ln\left(\frac{P_i}{1 - P_i}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

P_i = the probability to make an investment Decision of either purchase/develop property or constitute running a personal business for investment purposes or financial assets.

β_0 = Constant

β_1 to β_4 =Coefficients

X_1 =Financial knowledge

X_2 = Saving Habit

X_3 = Investment Opportunities Awareness

ε = Error term

3.11 Operationalization and Measurement of the Study Variables

Operationalization is the act of specifying the expected behavior of a study variable so as to make it possible to gauge it (Sekaran, 2010). It is the method of passing on an operational term on a construct/variable based on the contextual situations under which the study is being undertaken. The variables in this study, namely financial knowledge, saving habit, investment opportunities awareness on investment decision has been operationalized in accordance with previous studies. Table 3.2 presented provides a comprehensive overview of the measurement methodologies employed for all variables utilized in the current study.

Table 3.2: Operationalization of the Study Variables

Variable	Variable Type	Operationalization	Regression model	Measurement scale
Dependent Variable	Investment Decision	Financial Assets Real Assets Business	Multiple Regression Analysis	Interval
Independent Variable	Financial Knowledge	Knowledge of financial instruments. -Knowledge of investing options.	Multiple Regression Analysis	Interval
Independent Variable	Saving Habit	-Saving motive i.e. retirement, individual entrepreneurship -Growth of revenue	Multiple Regression Analysis	Interval
Independent Variable	Investment Opportunities Awareness	Type of investment. - How to invest. - Information on investment. - Personal interest.	Multiple Regression Analysis	Nominal

Source: Researcher 2024

3.12 Ethical Considerations

To ensure that privacy and confidentiality of all the research participants is maintained, the researcher considered accessing authorization letter from Kenyatta University post graduate school. This was done prior to any activity associated with data collection. Another letter from National Commission for Science and Technology authorization will be gotten for the purposes of boosting the respondents' information they will be required to provide. They will be guaranteed that it will be utilized only for the academic purposes intended for.

When performing the research activities, the researcher factored in the personal integrity viewpoint and therefore ensured that a thank you note will be furnished to all the respondents after completing the research exercise.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter summarizes the findings of the study in accordance with the objectives outlined in chapter one. The study aimed to determine the effect of financial literacy on investment decisions among middle and long-distance elite athletes in Kenya. The chapter presents analyses of the collected data using the technique of descriptive and inferential statistics in a logical manner, and presentation of a report on characteristics of the respondents, latent constructs and as well as the analysis of inferential data. Also the chapter presents sub sections with discussions that are relevant to present the meaning and give a clear understanding through interpretation of the research findings.

4.2 Response Rate

Data was gathered from a total of 318 sport professionals in Kenya. The sample size used in this study consisted of 318 respondents. A response rate of 78% was achieved, as indicated by the return of 248 out of 318. Based on the suggestions put forth by Fincham (2008), the observed response rate falls within the acceptable threshold of 70% and above. This level of response rate is deemed sufficient for conducting statistical analysis and drawing generalizable findings. The findings are presented in Figure 4.1.

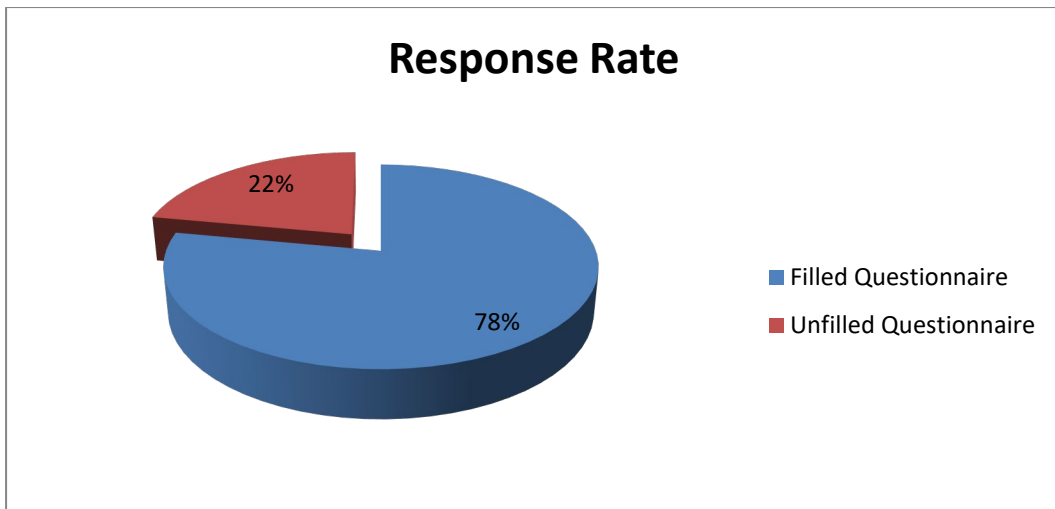


Figure 4.1: Response Rate

Source: Researcher (2024)

4.3 Reliability Tests

In accordance with the methodology outlined by Julious (2005), a preliminary investigation was carried out, employing a sample size consisting of thirty-two participants, representing 10% of the overall sample. The primary aim of this pilot study was to evaluate the soundness and consistency of the research instrument. To address the potential influence of bias, the primary study refrained from including participants from the pilot study. Consistent with the suggestion made by Mugenda and Mugenda (2003), this research utilized Cronbach's Alpha to evaluate the internal consistency of the questions included in the six questionnaires deployed during the pilot test. The results are displayed in Table 4.1.

Table 4.1 Reliability Results

Construct	Reliability Score	No. of Items	Remarks
Financial Knowledge	0.768	14	Reliable
Saving Habit	0.806	11	Reliable
Investment Opportunities Awareness	0.786	11	Reliable
Investment Decisions	0.791	6	

Source: Researcher (2024)

All five study variables had alpha coefficient values more than 0.7 (>0.7), as evidenced in Table 4.1, suggesting that the instrument employed was dependable in collecting data.

4.3 Demographic Characteristics

The survey aimed to identify the respondents' gender, months they have been under training, and mode of financial literacy in possession. Tables and figures are used to present the results in the ensuing subsections.

4.3.1 Gender of Respondents

The objective of the research was to ascertain the gender composition of the individuals participating in the study. This facilitated the researcher in assessing the presence of gender bias within the study. The results are presented in Table 4.2.

Table 4.2 Gender of Respondents

	Frequency	Percent
Male	188	75.8
Female	60	24.2
Total	248	100.0

Source: Researcher (2024)

According to the data shown in Table 4.2, it can be observed that 75.8 percent of the respondents were identified as male, while 24.2 percent were identified as female. This suggests that there is a diversified gender composition within the sport professionals/athletes in the three counties; Elgeyo Marakwet, Nandi and Uashi Gishu. This finding also suggests that the study was not biased towards any particular gender, as it encompassed both male and female participants, so providing a comprehensive representation of perspectives from both genders.

4.3.2 Months of Training

The study aimed to determine the numbers of months the athletes have been in training in Elgeyo Marakwet, Nandi and Uashi Gishu. The results were presented in the Table 4.3.

Table 4.3 Months of Training

	Frequency	Percent
3-6 Months	0	00.0
7-10 Months	88	35.5
11-12 Months	40	16.1
More Than 12 Months	120	48.4
Total	248	100.0

Source: Research Data (2024)

The result indicated that majority of the athletes (48.4%) have been training for more than 12 months. The findings indicate that 35.5% of the athletes have trained for 7 to 10 months and 16.1% have trained for 11 to 12 months.

4.3.3 Mode of Financial literacy in Possession

The result in this section presents the modes of financial literacy in possession for the athletes in Elgeyo Marakwet, Nandi and Uashi Gishu. The results were summarized in Table 4.4.

Table 4.4. Mode of Financial Literacy

	Frequency	Percent
Friends, Relatives and Peers	16	6.5
Formal from Banks	32	12.9
Formal from MFIs	16	6.5
Formal from NGOs	184	74.2
Total	248	100.0

Source: Researcher (2024)

The result in Table 4.4 indicates that majority of the athletes gained their financial literacy skills formally from NGOs (74.2%). Other modes used in the three counties were from friends, relatives and peers (6.5%), from banks (12.9%) and from MFIs (6.5%). The result indicated that much of training were from the Non-governmental organizations.

4.4 Descriptive Analysis

The data relevant to the various variables in the study were summarized using descriptive statistics, including measures such as the mean and standard deviation. This section presents the mean responses for each of the variables, with standard deviation numbers included to indicate the level of variability in the responses.

4.4.1 Financial Knowledge

The first objective was to determine the effect of financial knowledge on investment decisions among middle and long-distance elite athletes in Kenya. The result on financial knowledge were analyzed in Table 4.5.

Table 4.5 Financial Knowledge

	Mean	Std. Dev
I am very much aware of Nairobi securities exchange (NSE) market	2.7097	.63340
Ordinary shares for companies are bought and sold at the NSE	3.1000	.44850
Preference shares for companies are bought and sold at the NSE	3.1148	.35298
Bonds for companies are bought and sold at the NSE	3.0076	.33458
The government sell treasury bills and treasury bonds to the public	3.0455	.39588
I am very much aware of Foreign Exchange (FOREX) market	2.7651	.51184
FOREX market unlike NSE, deals with exchange of currency PAIRS for gain/profit	2.2839	.55446
I am legible to personally buy or sell ordinary shares that I hold at any time.	2.4677	.49997
I am legible to personally buy or sell preference shares that I hold at any time.	2.3710	.48404
I am legible to personally buy or sell bond that I hold at any time.	2.3456	.54344
I am legible to invest in government securities such as treasury bills and treasury bond.	2.3710	.48404
I am legible to personally buy or sell FOREX that I hold at any time. Eg USD/Yen, USD/kshs etc	2.3548	.51210
I can use a broker to trade for me either at the NSE or FOREX or both	3.0010	.48434
I can invest in Cryptocurrencies personally or using a broker	2.3886	.44504
Aggregate Score	2.6662	0.4775

Source: Research Data (2024)

The result in Table 4.5 indicates that the aggregate mean score of 2.6662 and standard deviation of 0.4775 indicates that the athletes disagreed with the statements presented to them relating to financial knowledge. The result indicated that the respondents disagreed that they were aware of Nairobi securities exchange (NSE) market operations (M=2.7), ordinary shares, preference shares and bonds for companies were moderately bought and sold at the NSE as represented by mean of 3.1, 3.1 and 3.0. The respondents had moderate knowledge on the government selling treasury bills and treasury bonds to the public (M=3.04). The athletes had little knowledge on deals with exchange of currency PAIRS for gain/profit, majority disagreed that they are eligible to participate in buying and selling of shares and bonds. Further, the respondents indicated that they

had little financial knowledge on legibility to buy or sell FOREX, use a broker to trade for them either at the NSE or FOREX or both and invest in Cryptocurrencies.

The study agrees with Jaco (2022) that individual peer athletes continued to make decisions on investment matters without any influence from the others in the same network. Further, Zhao and Zhang (2021) study showed that there was a direct influence of financial literacy on the investment decision amongst the professional athletes. On the other hand, the investment experience in cryptocurrency was low. Further clarification showed that the aspect of investment experience referred to as risky asset holding had statistically significant effect thereof. In India, a study undertaken by Shaik, Kethan, Jaggaiah and Khizerulla (2022) showed that the deposits placed in the commercial banks, ordinary shares, funds from mutual organizations, savings placed with the post office, insurance covers, precious stones such as gold and silver contributed significantly to the pattern of investing. The aspect of support from those who finance the games one plays or participates in such as parents and other interested firms creates skills for the athletes and the extra managerial skills were as a result of learning through trial and error and also self-training out of self-initiative.

4.4.2 Saving Habits

This section provides an analysis of the saving behaviors exhibited by the majority of the respondents. Table 4.6 presents the results.

Table 4.6 Saving Habits

	Mean	Std. Dev
I prefer to save some money from my earnings after every race I win or am paid (MPS)	2.3456	.48404
I prefer to consume a certain amount of some budget amount from my earnings after every race I win or am paid (MPC)	3.3548	.51210
I do some savings for I need financial support after retiring from active athletics	3.3387	.53821
I save some money from my athlete income in case I am forced to retire due to injury or sickness	3.4548	.47943
I save income to be able to support my family incase they are still dependents for the future is uncertain/on retirement	3.3657	.48404
I prefer to save some income to start a business in the future when I will not be in active athletics	3.4839	.50075
I save for I have some investment that require financial boosting once in a while	3.3711	.48465
I save incase an investment opportunity arises to be able to take advantage of it.	3.5484	.49866
I save to increase my wealth	3.7677	.49997
I like to save to ensure that my income has a continuous flow all the time	3.4800	.53275
I save for I need cash flow now and in the future to meet my bills	3.6677	.48888
Aggregate Score	3.3799	0.5003

Source: Researcher (2024)

The findings of the survey revealed that a significant proportion of the participants, as shown by a mean value of 2.34 and a standard deviation of 0.48404, expressed disagreement towards the notion of saving a portion of their winnings following each racing victory. The aggregate standard deviation indicates minimal variability across all responses pertaining to saving behaviors. Further, the study indicated that majority of respondents moderately prefer to consume a certain amount of some budget amount from their earnings after every race they win ($M=3.35$, $SD=0.51$). As represented by mean of 3.33, 3.45, 3.36, 3.48 and 3.37 it was clear that majority of the respondents moderately agreed with statements relating consumption of savings, saving for retirement, savings in case they are forced to retire, saving to start some businesses and

saving for investment. It is clear that saving habit was moderately done by athletes in Elgeyo Marakwet, Nandi and Uashi Gishu.

The study agrees with Maseko and Surujlal (2018) that most professional soccer players have poor investment plans due to lack of appropriate financial literacy. Additionally, Kimaiyo (2021) agrees that ones getting good salaries and living in cities and towns showed a high level of financial knowledge in comparison to the aforementioned counterparts. In USA, a study was undertaken by Bayuk and Altobello (2019) showed that the following individual aspects were contributing to the savings habit. Ndungu and Abdul (2022) findings showed that the savings habit, knowledge in financial management, financial alertness and attitude had a direct link with investment decision which was significant. Moreover, Karanja (2019) revealed that one's age significantly influenced investment decisions. That is if one is for example of less than 25 years the main goal was academics and not investment. This is contrary to those of the age between 41-60 years. The target of these individuals is to save for retirement. Again, savings also dictated investment such that the more the savings the more the level of investment.

4.4.3 Investment Opportunities Awareness

The third objective aimed to determine the effect of investment opportunities awareness on investment decisions among middle and long-distance elite athletes in Kenya. The result on investment opportunities available to athletes were presented in Table 4.7

Table 4.7 Investment Opportunities Awareness

	Mean	Std. Dev
I am aware of several investment opportunities in and out of the country	3.3089	.54362
I can identify for you the different type of investment opportunities am aware of from different sources	3.0088	.54321
I know of several physical and financial investment opportunities either in the country or outside the country or both that I can benefit from	2.3687	.53821
I know how to invest in either real estate, shares, bonds, government treasury bills and FOREX	2.4548	.47907
I know how to do online trading using currency assets, commodities such as gold, oil or Cryptocurrencies	2.4537	.43453
Am informed of local news affecting investment markets such as FOREX and NSE prices	2.4675	.53275
I know several sources where I can access investment information. Both local and international news	2.3434	.43246
Personally, I make efforts to learn about investment opportunities from relatives, peers and friends	3.2234	.44534
I personally, like trainings to do with investment from institutions such as MFI, banks and NGOs etc.	2.4357	.44536
I personally read investment materials to gain personal knowledge of the lucrative investment opportunities	2.4332	.52243
Aggregate Score	2.6498	0.49171

Source: Researcher (2024)

The aggregate result in Table 4.7 shows a mean of 2.6498 and a standard deviation of 0.49171 indicating that majority of the respondents had low level of investment opportunities awareness. The low variation indicates that majority of the responses were close to the mean. Majority of the respondents indicated that they were moderately aware of several investment opportunities in and out of the country (M=3.30). The respondents could moderately identify the different types of investment opportunities they are aware of from different sources (M=3.0). The athletes had little knowledge on several physical and financial investment opportunities either in the country or outside the country or both that they can benefit from (M=2.34) and also portrayed little know how on investing in either real estate, shares, bonds, government treasury bills and

FOREX (M=2.45). The results indicated that despite the availability of investment opportunities, the athletes chose few locally available investments.

The study agrees with Assefa and Rao (2018) findings portrayed that the investment decisions to be made by an individual was driven by the degree to which financial literacy had influenced it. It was established that the level of literacy was too low to make any impact in convincing the salaried people to invest in the available opportunities. Additionally, Oteng (2019) study found that the traders did not seem to understand the concepts of liquidity, inflation rate, interest rate or charge and risk and reward aspects and therefore it was concluded that they had low financial literacy levels on this issue. Moreover, Huml, Gellock and Lecrom (2020) results showed that investment in both academia and sports was a key driver to variations on the sense of belonging in school which was inverse. That is the more the students' athletes concentrated on investment in academia and sports, the less they felt the sense of belonging in campus. Biwott, Sakataka and Wanyonyi (2019) results portrayed that 63/100 of the professionals did not have savings with any financial institution. The implication thereof is that the saving culture amongst the majority of the athletes was low and not impressive. Again, majority of the athletes did not have any plans for retirement and this was empirically proved due to lack of retirement accounts which was a 62% as compared to the whole population under study.

4.4.4 Investment Decisions

The respondents indicated their investment decisions in this section. The available invest decisions were real estate, businesses and financial assets. The result indicated that 11.30% of elite athletes invested in financial assets, 28.6% invested in businesses and only 14.9% invested in real estates. The result indicated that a majority of the

professionals did not have any investment at all. The study agrees with Biwott et al., (2019) which revealed a poor saving and investment culture. Biwott study also revealed that majority of the respondents at 62% did not have retirement accounts against only 38% who had retirement accounts.

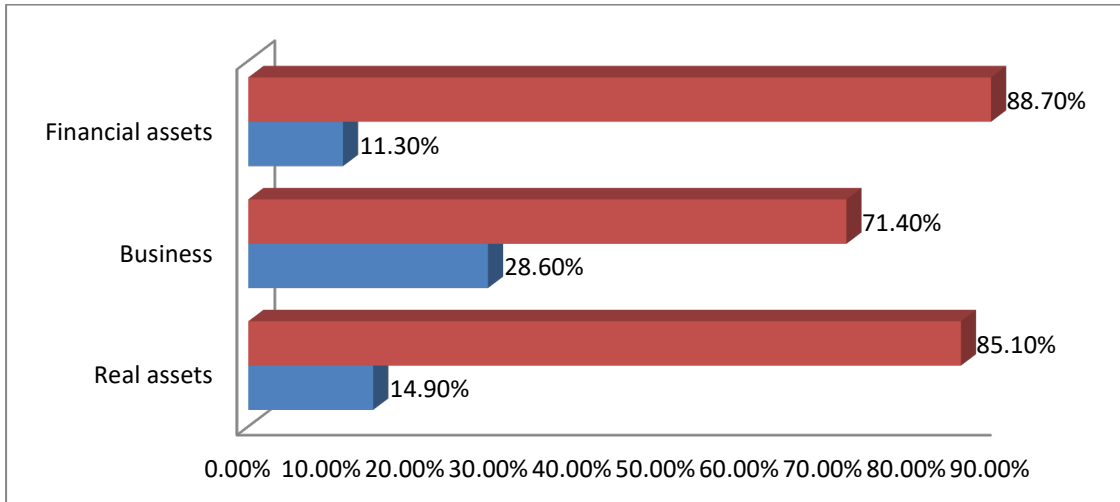


Figure 4.2 Investment decisions

Source: Researcher (2024)

The participants were additionally asked to provide their opinions on the level of investment they want to allocate to different paths. The findings of this inquiry were then consolidated and presented in Table 4.8.

Table 4.8 Investment Decisions

	Mean	Std. Dev
Real assets (Land, buildings, residential or commercial houses)	2.3189	.55362
Business i.e. family business, shares etc.	2.9248	.44321
Financial assets (fixed bank accounts, insurance products, bonds or financial instruments.	2.0332	.52553
Aggregate Score	2.6498	0.49171

Source: Researcher (2024)

The result in the Table 4.8 indicates the number of the athletes who invested in businesses was the highest and the number that invested in financial assets were the lowest. However, the results indicated that the investment in real estates, business and financial assets were partially done and to some extent poorly done in the region under study.

4.5 Diagnostic Tests

Before doing inferential statistics, the study ran diagnostic tests to ensure adherence to the assumptions of regression analysis. The diagnostic tests undertaken in this study encompass normality tests, heteroscedasticity tests, and testing for multicollinearity.

4.5.1 Testing of Normality

A One-Sample Kolmogorov-Smirnov Test (K-S) was performed in order to assess the normality of the dependent variable. The Kolmogorov-Smirnov test, alternatively referred to as the K-S test or one sample Kolmogorov-Smirnov test, is a non-parametric statistical method used to assess the likelihood that a given dataset is drawn from a certain distribution, such as the normal, uniform, Poisson, or exponential distribution. The findings are displayed in Table 4.9.

Table 4.9 Results of the Normality Test

Variable	Kolmogorov-Smirnov ^a		Shapiro-Wilk		Df	Sig.	Observation
	Statistic	Df	Statistic	Df			
Investment Decision	1.116	248	.073	.073	248	.078	Normal Distribution
Financial Knowledge	1.179	248	.062	.089	248	.201	Normal Distribution
Savings Habit	1.03	248	.071	.102	248	.069	Normal Distribution
Investment Opportunities Awareness	.436	248	.003	.436	248	.103	Normal Distribution

Source: Researcher (2024)

The results of the normality test are presented in Table 4.9. The Kolmogorov-Smirnov test statistic, denoted as Z , is a measure used in statistical analysis to assess the similarity between two probability distributions. The values presented in the data are 1.116, 1.179, 1.03, and 0.417. The asymptotic significance levels (two-tailed) corresponding to these values are 0.073, 0.089, 0.102, and 0.436, respectively.

The null hypothesis, denoted as H_0 , posited that the observed data followed a normal distribution, whereas the alternative hypothesis, denoted as H_1 , proposed that the data did not conform to a normal distribution. According to the established criterion, if the calculated p-value above 0.05, the null hypothesis (H_0) is not rejected; conversely, if the p-value is less than 0.05, the null hypothesis is rejected. The findings suggest that the Kolmogorov-Smirnov Z statistic for all variables exceeded the significance level of 0.05. As a result, the null hypothesis could not be rejected, leading to the conclusion

that the data for all variables had a normal distribution and were suitable for conducting linear regression analysis.

4.5.2 The results of the heteroscedasticity test.

Heteroscedasticity is a phenomenon that indicates the presence of disparate levels of variability in the dependent variable across different values of the independent variables (Garson, 2012). A heteroscedasticity test is conducted to examine the presence of variability in the residuals inside the utilized regression model. If the error term exhibits equal variance, it can be inferred that the distribution follows a normal distribution. Heteroscedasticity refers to the absence of equal levels of variability for each value of the independent variables. The Breusch-Pagan test, first proposed by Breusch and Pagan (1979), was employed to assess the presence of homogeneity in a linear regression model.

Table 4.10 Breusch-Pagan Heteroscedasticity Test

Chi – Square	Df	Sig.
5.9447	3	0.8386

Source: researcher (2024)

Table 4.10 presents the results of the test conducted to assess the presence of homoscedasticity in the response variable and residuals. The statistical test was conducted to determine the degree of freedom and p-value. The numerical values 5.9447, 3, and 0.8386 are presented

The null hypothesis and alternative hypothesis are presented as follows. The null hypothesis (H0) posits that the data does not exhibit heterogeneity in variance, while the alternative hypothesis (H1) proposes that the data does exhibit heterogeneity in

variance. According to the established convention, if the calculated p-value above the significance level of 0.05, the null hypothesis (H0) is accepted while the alternative hypothesis (H1) is rejected. Conversely, if the p-value is less than 0.05, the null hypothesis is rejected in favor of the alternative hypothesis. The test outcome is presented in Table 4.11, revealing that the test statistic is 5.9447 (p-value = 0.8386) with the associated degrees of freedom. Given that the test statistic for homoscedasticity yielded a p-value greater than 0.05, the null hypothesis was accepted. This implies that the data does not exhibit heterogeneity in variance, hence satisfying the regression assumption.

4.5.3 Multicollinearity Testing

The study employed the Variance Inflation Factor (VIF) as a diagnostic tool to assess the presence of multicollinearity. The present study employed a VIF value of 10 as the threshold, following the commonly used rule of thumb. Variance inflation factor (VIF) values exceeding 10 suggest the presence of multicollinearity.

The concept of tolerance is often measured using the Variance Inflation Factor (VIF). The level of financial knowledge is measured to be 0.411, indicating a relatively low level of understanding in this area. This score of 2.433 suggests that there is room for improvement in terms of

Table 4.11 Multi-collinearity Test Results

Variable	Tolerance	VIF	Remarks
Financial Knowledge	0.411	2.433	No Multicollinearity
Savings Habit	0.423	2.364	No Multicollinearity
Investment Opportunities	0.781	2.247	No Multicollinearity

Source: Researcher (2024)

The topic of interest is saving habits, with a correlation coefficient of 0.423 and a standard deviation of 2.364. The level of awareness regarding investment opportunities is measured to be 0.781, indicating a moderate level of knowledge among individuals. This suggests that individuals have a reasonable understanding of the many investment options available to them. Furthermore, the study reveals that investment decisions are made with a level of confidence, as indicated by a score of 0.487. This suggests that individuals are relatively assured in their ability to make informed.

The findings of this study suggest that the Variance Inflation Factor (VIF) values of the independent variables fell under the established threshold of 10. This finding suggests that there was no evidence of multicollinearity, allowing the study to employ a linear regression model. A tolerance value approaching 0 is indicative of the presence of multicollinearity. In this study, the tolerance values for the variables under investigation proved the absence of multicollinearity as a potential hazard.

4.6 Inferential statistics

The next part provides an overview of the findings derived from the correlation and regression analysis.

4.6.1 Correlation Analysis

Correlation Analysis is a statistical technique used to measure the strength and direction of the relationship between two or more variables.

The correlation values were derived using the Pearson correlation coefficient, where a value near to +1 or -1 indicated a high positive or negative correlation between the variables, respectively.

Table 4.12 Correlation Analysis

		Financial Knowledge	Saving Habits	Investment Opportunities Awareness	Investment Decisions
Financial Knowledge	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	248			
Saving Habits	Pearson Correlation	.476**	1		
	Sig. (2-tailed)	.606			
	N	248	248		
Investment Opportunities Awareness	Pearson Correlation	.244**	-.023	1	
	Sig. (2-tailed)	.601	.754		
	N	248	248	248	
Investment Decisions	Pearson Correlation	.637**	.753**	.699**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	248	248	248	248

Source: Researcher (2024)

The findings presented in Table 4.12 demonstrate a statistically significant positive association ($P=0.637$, $\text{sig}<0.05$) between financial knowledge and investing decisions.

The correlation between opportunity saving behaviors and investment decisions was

found to be very significant ($P=0.753$, $\text{Sig}=0.000$), indicating a strong and positive association between the two variables. The study found a positive, substantial, and statistically significant association ($P=0.699$, $\text{sig}<0.05$) between awareness of investment prospects and investment decisions.

4.6.2 Regression Analysis

Regression Analysis is a statistical technique used to examine the relationship between a dependent variable and one or more independent variables.

The regression analysis demonstrated the existence of a linear relationship between the variables examined in the study. This study elucidated the impact of manipulating an independent variable on the corresponding alterations observed in the predicted variable. This section provides an overview of the models, an ANOVA table, and the regression coefficients. The results are presented in Tables 4.13, 4.14, and 4.15.

The model summary

The model's R value, which measures the strength of the relationship between the predictor variables and the response variable, is reported. Additionally, the R Square value indicates the proportion of variance in the response variable that can be explained by the predictor variables. The Adjusted R Square value takes into account the number of predictor variables and adjusts the R Square value accordingly. Lastly, the Std. Error of the Estimate provides an estimate of the standard deviation of the residuals, which represents the average distance between the observed and predicted values.

The values provided are 0.917, 0.840, 0.837, and 1.43676. Factors that can be used to forecast or estimate future outcomes or events. The variables in question, denoted as (Constant), FK, SH, and IOA, are the subject of academic inquiry.

Table 4.13 Regression Model Summary

Model R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.917	.84	.837	1.39	1.21

a. Predictors: (Constant), D_Total, C_Total, B_Total

b. Dependent Variable: Investment Decision

B: Financial Knowledge C: Savings Habits D: Investment opportunities awareness

Source: (Researcher, 2024)

The findings presented in Table 4.13 demonstrate a significant correlation between the variables, as evidenced by a strong correlation coefficient ($R=0.917$). The findings pertaining to the adjusted R square, which represents the coefficient of determination, suggest that 83.7% of the variations observed in the investment decisions examined can be attributed to factors such as financial understanding, saving habits, and awareness of investment opportunities. The model described in the study did not account for additional factors that were found to contribute to 16.3% of the variance in investment decisions made by athletes.

Table 4.14 ANOVA Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	1962.928	3	4654.309	3040.05	.00
1	Residual	373.637	247	1.531		
	Total	2336.565	247			

a. Dependent Variable: Investment Decision

b. Predictors: (Constant), Financial Knowledge (FK), Savings Habits (SH), Investment opportunities Awareness (IOA)

Source: (Researcher, 2024)

Table 4.14 presents the results of the analysis of variance (ANOVA). The model consists of three factors: Regression, Residual, and Total. The sum of squares for the Regression factor is 1962.928, with 3 degrees of freedom (df). The mean square for Regression is 4654.309. The F-value for Regression is 3040.05, and the associated significance level (Sig.) is .000. The sum of squares for the Residual factor is 373.637, with 244 df. The mean square for Residual is 1.531. The Total sum of squares is 2336.565, with a total of 247 df.

a. The dependent variable in this study is investment decisions.

b. Variables used to forecast or estimate an outcome or event. The variables "Constant," "FK," "SH," and "IOA" are being referred to.

The findings of the study revealed that the model demonstrated statistical significance at a confidence level of 95% ($p < 0.000$). The computed F value of 3040.05 exceeded the critical F value of 5.76. This finding suggests that at least one variable demonstrated statistical significance in its ability to explain the variations observed in investment decisions.

Table 4.15 Regression Coefficients

Model	Unstandardized Coefficients		Standardized	T	Sig.	
	B	Std. Error	Coefficients Beta			
	(Constant)	11.357	2.089	5.438	0.049	.00
1	X ₁	.541	.162	.118	3.330	.001
	X ₂	1.254	.14	.39	4.71	.00
	X ₃	2.602	.07	.27	3.44	.00

a. Dependent Variable: Investment Decision

X₁: Financial Knowledge X₂: Savings Habits, X₃: Investment Opportunities Awareness

Source: (Researcher, 2024)

Table 4.15 presents the coefficients for the model, specifically the unstandardized coefficients. The standardized coefficients for the variables are as follows: the constant term has a coefficient of 11.357 with a standard error of 2.089, resulting in a beta value of 5.438. The significance level for this coefficient is .049. The data provided represents the results of a study on financial knowledge. The values reported are as follows: .541, .162, .118, 3.330, and .001. The data presented in the table represents several saving habits. The values provided indicate the mean and standard deviation for each habit. The study examines the level of awareness regarding investment opportunities and its impact on investment decisions. The dependent variable in this study is investment decisions.

Based on the findings presented in Table 4.15, the model that has been selected is as follows: $\ln(P_i/(1-P_i)) = 11.357 + 0.541X_1 + 1.254X_2 + 2.602X_3 + \epsilon$

The findings shown in Table 4.15 demonstrate that the investment decision amounted to 11.357 units, assuming the three independent factors (financial knowledge, saving behaviors, and investment opportunity awareness) remained unchanged. A substantial

statistical association ($p < 0.05$) was seen between individuals' level of financial knowledge and their investing decision-making. The athletes' investing selections were significantly influenced by a change in their financial understanding ($B = 0.541$, $\text{sig} < 0.05$). The findings of the study corroborated the assertion made by Jaco (2022) that there exists a substantial relationship between financial knowledge and investing decision-making. Moreover, the study conducted by Zhao and Zhang (2021) provided additional clarification regarding the impact of investment experience, specifically in relation to hazardous asset holding, on investment decision-making. The findings of the study indicated a statistically significant effect of this aspect on investment decisions. A recent study conducted in India by Shaik, Kethan, Jaggaiah, and Khizerulla (2022) revealed that financial knowledge significantly influenced the growth rate of invested capital, the liquidity features of assets, and the availability of investment options.

According to the findings presented in Table 4.15, there is evidence to suggest that savings habits have a statistically significant and beneficial impact on investment decisions ($B = 1.254$, $\text{sig} < 0.05$). A one-unit increase in saving behaviors corresponded to a 1.254-unit increase in investing decisions. The findings of this study align with the conclusions drawn by Maseko and Surujlal (2018), which suggest that savings practices have a notable impact on individuals' investing choices. The study also concurs with Kimaiyo (2021) that the savings habits of households have an impact on their performance. The findings of the study indicate that there is no significant impact of savings habits on investment decisions, which contradicts the assertions made by Bayuk and Altobello (2019). The findings of Ndungu and Abdul (2022) indicate a substantial relationship between savings behavior, financial management knowledge, financial awareness, attitude, and investment decision-making.

According to the findings presented in Table 4.15, there is evidence to suggest that investment opportunity knowledge has a statistically significant positive impact on investment decisions ($B=2.602$, $\text{sig}<0.05$). A one-unit increase in investment opportunity knowledge led to a 2.602-unit increase in investment decisions. The present study aligns with the findings of Assefa and Rao (2018), which indicate that investment opportunities have a substantial impact on individuals' decision-making processes about investments. The present analysis aligns with the findings of Khan, Rabbani, and Kadoya (2020), which suggest that savings behaviors have a substantial impact on the level of investment connection within financial markets situated in the United States. The findings of this study are consistent with the research conducted by Oteng (2019), which suggests that the savings behaviors of small and medium traders have a substantial impact on their decision-making processes regarding investments. This study aligns with the findings of Huml, Gellock, and Lecrom (2020) regarding the substantial impact of savings habits on investment in academia and sports, specifically in relation to the sense of belonging within athletics.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The findings of the study have been outlined in this particular section. The provided data pertains to the outcomes of the study variables, specifically financial Knowledge, savings habit, awareness of investment opportunities, and investment decisions. The chapter additionally provides an overview of the study's conclusions derived from the findings, as well as recommendations and proposals for future research.

5.2 Summary of the findings

The findings revealed that the participants exhibited a lack of awareness regarding the functioning of the Nairobi Securities Exchange (NSE). Moreover, it was observed that athletes engaged in moderate buying and selling of ordinary shares, preference shares, and bonds for various firms inside the NSE. The athletes possessed limited understanding regarding transactions involving the exchange of currency pairs for financial advantage. The majority expressed disagreement with their eligibility to engage in the buying and selling of shares and bonds. Moreover, the participants expressed a limited understanding of financial concepts related to the eligibility for purchasing or selling foreign exchange, utilizing a broker for trading activities either at the National Stock Exchange (NSE) or in the foreign exchange market, and investing in cryptocurrencies.

The study findings revealed that a significant proportion of the participants expressed a tendency to infrequently allocate a portion of their winnings following each successful race towards savings. Moreover, the study revealed that a significant proportion of participants exhibit a moderate inclination towards allocating a specific portion of their

winnings following each victorious race towards a predetermined budget. The data indicates that a significant proportion of the participants expressed a moderate level of agreement with regards to statements pertaining to the utilization of savings, saving for retirement, setting aside funds in the event of forced retirement, saving for entrepreneurial endeavors, and saving for investment purposes. It is evident that athletes in Elgeyo Marakwet, Nandi, and Uashi Gishu counties exhibited a modest level of adherence to saving habits. This stands in contrast to persons aged 41-60, whose primary objective is to save savings for their retirement. Furthermore, it should be noted that the level of investment is directly influenced by the amount of savings available. In other words, a higher level of savings corresponds to a higher level of investment. The findings of the study revealed that a significant proportion of the participants had a limited level of awareness regarding investment alternatives. The findings of the survey revealed that a significant proportion of the participants expressed a modest level of awareness regarding various investment prospects both domestically and internationally. The participants exhibited a moderate level of ability to discern various investment opportunities based on their knowledge acquired from diverse sources. The athletes had limited awareness of various physical and financial investment alternatives, both domestically and internationally. Additionally, they demonstrated a lack of expertise in investing in real estate, shares, bonds, government treasury bills, and the foreign exchange market (FOREX). The findings of the study revealed that, despite the presence of several investment options, the athletes had a tendency to select only a limited number of investments that were accessible within their immediate vicinity.

The investment options that were accessible were real estate, enterprises, and financial assets. The findings reveal that the athletes who allocated their investments in

businesses exhibited the highest proportion, while those who invested in financial assets demonstrated the lowest proportion. However, the findings of the study revealed that the allocation of resources towards real estate, commercial, and financial assets in the examined region was only partially executed and, to a certain degree, exhibited suboptimal performance.

5.3 Conclusion of the study

The findings of the research indicate that the level of literacy among the participants was significantly low. These individuals were the younger generation. The team had a limited understanding of fundamental concepts in financial literacy, including the general inflationary trend in the economy, the time worth of money, and the illusion surrounding cash holdings. Firstly, it is important to consider the role of coping techniques employed by peers in the decision-making process. The topic under consideration is to the provision of financial support from individuals or entities, such as parents and interested corporations, towards the games in which one engages or participates. Another contributing factor is to the formation of financial literacy, while the final aspect concerns the post-retirement phase in the realm of sports. Consequently, the study reached the conclusion that the factors contributing to financial distress among athletes included insufficient scholarships, inadequate funding, and limited participation chances. Consequently, the acquisition of additional managerial skills can be attributed to a combination of experiential learning and self-directed training.

There exist certain elements that contribute to an athlete's financial vulnerability which are inherent and unalterable. Athletes consistently uphold familial, social, and interpersonal relationships, which need them to actively participate in personal financial considerations. The proposed approach involves offering educational

opportunities to athletes, with the objective of enhancing their capacity to make informed financial decisions. This would be achieved by promoting financial literacy as a core skill that is relevant to athletes of different ages and skill levels. Athletes who demonstrate a comprehensive comprehension of financial concerns will be better prepared to make well-informed financial decisions and execute efficient money management tactics, hence facilitating the achievement of their desired financial goals.

5.4 Study Recommendations

Based on the facts, analysis, discussion, and conclusions elucidated in this study, a number of recommendations might be posited. It is recommended that professional athletes from Kenya prioritize the development of a robust understanding of financial literacy and demonstrate responsible financial conduct. This will enable them to successfully oversee their current and future financial affairs, ultimately leading to the achievement of financial contentment. Additionally, it is recommended that team management of Kenyan professional athletes should prioritize the provision of counseling or training programs that aim to improve financial literacy and cultivate positive financial behaviors. This will provide athletes with the opportunity to gain the requisite knowledge and abilities to make well-informed decisions pertaining to their financial management, hence aiding the attainment of financial contentment.

There are countless cases in which athletes have made uninformed and poorly educated investment decisions, leading to the destruction of their financial resources. The commencement of 2012 was characterized by a significant economic crisis that had occurred in the previous year, resulting in increased levels of inflation and thus impacting the aforementioned unprofitable investment. Therefore, it is imperative that athletes acquire the necessary knowledge that will serve as the fundamental basis for

an effective investing strategy. Through the acquisition of such knowledge, athletes will be able to strengthen their capacity to formulate a comprehensive investment strategy that exhibits resilience in the face of inflationary pressures.

In addition to demonstrating experience in the field of investing, athletes must also exhibit a comprehension of the crucial function that inflation plays within the context of investment. Therefore, it is crucial for athletes to actively seek financial guidance, as there are numerous advisors available who can provide them with the essential support, guidance, and expertise needed to develop a strong investment plan that ensures long-term sustainability, while also protecting against potential financial challenges arising from the current economic conditions.

5.5 Recommendations for Future Research

The research focused on Kenyan athletes, with particular emphasis on the regions of Elgeyo Marakwet, Nandi, and Uasin Gishu. The research primarily examined the signs of financial literacy, specifically focusing on savings behaviors, financial knowledge, and awareness of investment opportunities. The study additionally suggests exploring and examining other characteristics pertaining to financial literacy. The focus of the study was on investment decisions, with the dependent variable being the primary area of interest. The utilization of secondary data was deemed necessary for the research.

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APPENDICES

Appendix I: Introduction Letter

FEDNARD MACHOKA NYANG'AU,
KENYATTA UNIVERSITY,
P. O BOX 43844.
NAIROBI.
CELL NO: 0726556228
EMAIL- fednarmachoka@gmail.com

Dear Respondent,

RE: RESEARCH PROPOSAL QUESTIONNAIRE

I am the bona fide bearer of the above names and a Kenyatta University MBA student and under my candidature, I am looking forward to collect data using a structured questionnaire. The aim of this letter is to request your office to permit me to collect data pertaining the study under investigation. The topical issue in this study is “financial literacy and investment decisions among middle and long-distance elite athletes in Kenya.” You are requested to answer the questions to the best of your knowledge. I do assure you that the information you will provide as a respondent during this exercise will be treated as private and confidential for it will only be utilized for academic purposes. It is my humble request that you accurately and honestly provide the information needed to the best of your knowledge.

Yours Faithfully,

FEDNARD MACHOKA NYANG'AU

D53/CTY/PT/37761/2017

**Appendix II: Questionnaire for Financial Literacy and Investment Decisions
among Middle and Long-Distance Elite Athletes in Kenya.**

The topic under investigation is “financial literacy and investment decisions among middle and long-distance elite athletes in Kenya” and this questionnaire is for the purposes of collecting relevant data as pertains this topic.

Instructions: Kindly tick in the appropriate box.

Part A: DEMOGRAPHIC DATA

Section 1

1. Your Sex?

- a). Male
- b). Female

2. For how many months have you been under training in the available camps between 2018 to 2022?

- a).3-6 Months
- b). 7-10 Months
- c). 11-12 Months
- d). Above 12 Months

3. Mode of financial literacy in possession

i) Basic Financial literacy from friends, relatives or peers

ii). Formal training through financial literacy programs organized by;

- Banks
- Micro Financial Institutions
- NGOs
- Others

Specify.....

Part B

Section1: Financial knowledge

To the best of your knowledge, kindly indicate using a tick (✓) your opinion as pertains the matter of financial knowledge as guided by the following statements based on 5-Likert scale as that is; 1=Strongly-Agree (SA) 2=Agree(A), 3=Neutral(N), 4=Disagree(D)-and 5= Strongly Disagree (SD).

Statements	SA (1)	A (2)	N (3)	D (4)	SD (5)
a). Knowledge of financial instruments.					
I am very much aware of Nairobi securities exchange (NSE) market					
Ordinary shares for companies are bought and sold at the NSE					
Preference shares for companies are bought and sold at the NSE					
Bonds for companies are bought and sold at the NSE					
The government sell treasury bills and treasury bonds to the public					
I am very much aware of Foreign Exchange (FOREX) market					
FOREX market unlike NSE, deals with exchange of currency PAIRS for gain/profit					
b). Knowledge of investing Options.					
I am legible to personally buy or sell ordinary shares that I hold at any time.					
I am legible to personally buy or sell preference shares that I hold at any time.					
I am legible to personally buy or sell bond that I hold at any time.					
I am legible to invest in government securities such as treasury bills and treasury bond.					
I am legible to personally buy or sell FOREX that I hold at any time. Eg USD/Yen, USD/kshs etc					

I can use a broker to trade for me either at the NSE or FOREX or both					
I can invest in Cryptocurrencies personally or using a broker					

Section 2: Saving Habit

To the best of your knowledge, kindly indicate using a tick (√) your opinion as pertains the matter of saving habit as guided by the following statements based on 5-Likert scale as; that is; 1=Strongly-Agree (SA) 2=Agree(A), 3=Neutral(N), 4=Disagree(D)-and 5=Strongly Disagree (SD).

Statements	SA (1)	A (2)	N (3)	D (4)	SD (5)
Savings Habit					
I prefer to save some money from my earnings after every race I win or am paid (MPS)					
I prefer to consume a certain amount of some budget amount from my earnings after every race I win or am paid (MPC)					
1). Saving for Retirement					
I do some savings for I need financial support after retiring from active athletics					
I save some money from my athlete income in case I am forced to retire due to injury or sickness					
I save income to be able to support my family incase they are still dependents for the future is uncertain/on retirement					
2). Saving for Entrepreneurship					
I prefer to save some income to start a business in the future when I will not be in active athletics					
I save for I have some investment that require financial boosting once in a while					
I save incase an investment opportunity arises to be able to take advantage of it.					
3). Savings for Revenue Growth					
I save to increase my wealth					
I like to save to ensure that my income has a continuous flow all the time					
I save for I need cash flow now and in the future to meet my bills					

Section 3: Investment Opportunities Awareness

To the best of your knowledge, kindly indicate using a tick (√) your opinion as pertains the matter of investment opportunities awareness as guided by the following statements based on 5-Likert scale as; that is; 1=Strongly-Agree (SA) 2=Agree(A), 3=Neutral(N), 4=Disagree(D)-and 5= Strongly Disagree (SD).

Statements	SA (1)	A (2)	N (3)	D (4)	SD (5)
Investment Opportunities Awareness					
I am aware of several investment opportunities in and out of the country					
i). Type of investment					
I can identify for you the different type of investment opportunities am aware of from different sources					
I know of several physical and financial investment opportunities either in the country or outside the country or both that I can benefit from					
ii). How to Invest					
I know how to invest in either real estate, shares, bonds, government treasury bills and FOREX					
ii). I know how to do online trading using currency assets, commodities such as gold, oil or Cryptocurrencies					
iii). Information on Investment					
Am informed of local news affecting investment markets such as FOREX and NSE prices					
I know several sources where I can access investment information. Both local and international news					
I know how to interpret the investment information to make the right decision on matters of investing					
iv). Personal interest.					
Personally, I make efforts to learn about investment opportunities from relatives, peers and friends					

I personally, like trainings to do with investment from institutions such as MFI, banks and NGOs etc.					
I personally read investment materials to gain personal knowledge of the lucrative investment opportunities					

Section 4: Investment Decision

To the best of your knowledge, kindly indicate using a tick (√) your position as pertains the matter of investment decision as guided by the following statements based on 5-dummy scale of (1) if elite athlete has invested in that option or (0) if not/otherwise

Statements	(1)	(0)
Investment decision		
Real assets		
Business		
Financial assets		
Others (specify)		

To what extent have you invested in real assets (Land, buildings, residential or commercial houses) business or financial assets (fixed bank accounts, insurance products, bonds or financial instruments).

Statements	Strongly invest (1) (100 % of your income)	Invest fairly (80% of your income) (2)	Neutral invested (50% of your income) (3)	Partially invest (4) (30% of your income)	Not invested (5) 0% of your income
Real assets (Land, buildings, residential or commercial houses)					
Business i.e family business, shares etc					
Financial assets (fixed bank accounts, insurance products, bonds or financial instruments.					

Thank you for your cooperation

Appendix III: List of Middle and Long-distance Elite Athletes in Kenya

	TRANSNZOIA COUNTY	
SUB-CLUBS	MALE ATHLETES	FEMALE ATHLETES
ITEN SUB-CLUB	63	37
CHOJO CVAMP	25	14
ESMI	14	8
ESMI	2	3
ST.PATRICK	6	2
IKAIKHA	38	33
CLOUD 9	23	19
ISS	12	6
NPS	75	30
LILY'S TEAM	120	30
CLOUDS	25	35
TRAIN HARD	15	10
MWISHO LAMI	130	30
RURAL TEAM	70	35
MURORIA TEAM	45	20
NEWTON AGENGE	10	6
CLOUDS SPORTS	40	30
PUROSANGI	30	10
HIS	0	5
ADIDAS	6	9
SOUTHERN	4	2
ROSA AND ASSOCIATES	25	15
INDIVIDUALS KAPCHERO	46	6
KAPCHEROP	28	14
SUB-TOTAL	852	409
	NANDI COUNTY TRAINING CAMP	
	6	4
	18	10
	18	4
	7	6
	209	112
SUB-TOTAL	258	136
	UASIN GISHU COUNTY TRAINING CAMP	
SUB-TOTAL	25	15
GRAND TOTAL	1135	575
TOTAL ELITE ATHLETES	(MALE &FEMALE)	<u>1,695</u>
Source: County Government of Nandi Department Of Sports, Youth Affairs, Culture, Heritage And Social Welfare 2022		