

2020

Financial Illiteracy of Nigerian Immigrant Entrepreneurs in Houston

Adewole M. Omogunsoye
Walden University

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Walden University

College of Management and Technology

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Adewole Omogunsoye

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Walden University
2020

Abstract

Financial Illiteracy of Nigerian Immigrant Entrepreneurs in Houston

by

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MBA, University of Saint Francis, 2011

BS, University of Houston, 2009

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Management

Walden University

June 2020

Abstract

Financial literacy is an essential determinant of entrepreneurial success as it helps entrepreneurs to access credit and make rational financial decisions. However, financial literacy remains low especially among immigrant communities, who form the bulk of the low-income earners in the United States. The purpose of this qualitative exploratory case study was to explore the financial literacy of Nigerian immigrant entrepreneurs living in Houston, Texas, in order to sustain growth in their business by successfully using the U.S credit system. The research question for the study examined the actions Nigerian immigrant entrepreneurs in Houston need to take to be financially literate and navigate the U.S. credit system. The study was based on the rational choice theory. Semi-structured interviews were used to collect data from a purposive sample of 18 Nigerian entrepreneurs with businesses in Houston, Texas. Data analysis was conducted through hand-coding and validated with QSR Nvivo software. The results from the study indicated that credit rating, credit information, collateral, credit unions, networking, state government support, and a good business financial plan are important effective strategies for the Nigerian immigrant entrepreneurs to enhance their overall level of financial literacy with a view to promote business sustainability. The results of this study may contribute to positive social change by helping Nigerian immigrant entrepreneurs to obtain a more in-depth understanding of the U.S. credit system, encourage Nigerian immigrant entrepreneurs to share financial literacy strategies, and advance research on the relationship between the U.S. credit system and business sustainability.

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Dedication

I dedicate this dissertation to God Almighty for divine blessing, favor, and grace throughout this doctoral journey. God blessed me with intelligence, perseverance, but most of all, a loving and supportive family. Also, I dedicate this dissertation to my father, Ojo J. Omogunsoye. Rest in peace. Lastly, I dedicate this work to my mother, Mrs. Wuraola C. Omogunsoye, for sacrificing her entire married and career life to make sure my siblings and I get the best education. You instilled in me, the meaning of education because you know it will get me somewhere. In your honor, mother, and with the blessings of God, I finished my dissertation.

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Chapter 1: Introduction to the Study

Nigerian immigrants with an entrepreneurial mindset leave their native country and move to the United States to follow their entrepreneurial dreams and pursue business opportunities (Adesokan, 2015). Researchers have called for more considerable attention to the challenges faced by immigrants, especially Nigerian immigrants, to understand the financial credit system (Lee & Black, 2017). Despite their low level of business ownership, African immigrant businesses exhibit the highest closure rate at 39% (Fairlie & Robb, 2014). There have been various studies on African business sustainability and growth challenges, but there has been no research on Nigerian immigrant-owned business sustainability and the effect of financial literacy of the U.S. credit system on the sustainability of those businesses.

In this qualitative exploratory case study, I focused on the U.S. credit system as a requirement for business sustainability. A goal of this qualitative exploratory case study was to gain an understanding of what information Nigerian immigrant entrepreneurs in Houston need to navigate the U.S. credit system successfully to sustain their business growth. The insight gained from this current qualitative exploratory case study may add value to the current body of knowledge by providing a better understanding of the relationship between the U.S. credit system and Nigerian immigrant business sustainability. The new knowledge might help Small Business Administration (SBA), a government agency that provides loan, grants and credit facilities to small business

owners, to identify and develop effective social change programs that could be beneficial to Nigerian and other African immigrant businesses (Frid, Wyman, Gartner, & Hechavarria, 2016).

In this chapter, I present the research background, a statement of the general and specific problem, and the purpose of this study. Also included is the research question (RQ) and the conceptual framework that guided this study. This chapter also includes a description of the nature of the study, definitions of key terminology, assumptions, delimitations, and limitations of the study, and the significance of the study to practice and social change.

Background of the Study

There is an increasing need for financial literacy among immigrants because of the growing population of immigrant entrepreneurs in the United States and other Western countries. Differences in the financial systems of countries have meant that immigrants have faced an increased number of challenges trying to fit into the American business environment. In addition, the increase in the number of immigrant business families has called for a proper understanding of their degree of financial literacy. In understanding immigrant business families, better solutions could be provided to help to reduce the gap in the disproportionate business closure rate. It is crucial for immigrants to be financially literate to be able to fit into the new business environment with minimal challenges. Immigrants come from different and unique cultures, so there is a need to

understand culturally similar immigrants regarding their ability to achieve their business objectives.

Adendorff and Halkias (2014) asserted that immigrants, or cultural migrant populations, face numerous challenges in their quest to succeed in business in the United States. It is essential to understand their challenges and culture of doing business, including financial literacy. Cultural migrants have objectives that can be achieved only through financial literacy. However, the prerequisite levels of literacy that can enable them to thrive in complex financial systems appear to be lacking.

Frid et al. (2016) indicated that the lack of SBA funding adversely affects immigrant entrepreneurs in the United States. SBA funding has not given immigrant entrepreneurs an edge, such as the provision of start-up capital or helps to revive their businesses. The reduction in SBA funding has had an undesirable effect on immigrant entrepreneurs by making it more challenging to secure enough funding to restore potentially failing businesses; consequently, immigrant entrepreneurs have been deprived of a commercial lifeline. According to Mimura, Koonce, Plunkett, and Pleaskus (2015), many immigrant Americans also lack a proper financial education, thus making it very difficult for their small businesses to thrive. The scant amount of research on the subject has highlighted the critical need for studies on immigrants' entrepreneurial success strategies.

It is important to understand financial knowledge (Barros & Pritzker, 2016). The aim of financial literacy research should be to devise mechanisms to deliver financial literacy education, including to cultural groups of immigrants in the United States, and to help immigrant entrepreneurs to overcome the challenges arising from a lack of financial literacy education (Moghaddam, Aidov, Duval, & Azarpanah, 2016). The lack of financial literacy among most Nigerian immigrant entrepreneurs in the United States points to the need for them to understand this concept more clearly. This understanding should be backed by evidence collected through research and the analysis of the gathered data.

Problem Statement

Information on the ways that Nigerian immigrants to the United States can gain access to business capital has been scant. Despite the entrepreneurship opportunities in the United States that are available to Nigerian immigrants, technical challenges, and the immigrants' lack of knowledge of resources have resulted in issues regarding access to capital (Barros & Pritzker, 2016). Nigerian immigrants' lack of understanding of the U.S. credit system means that they do not have the financial literacy to manage entrepreneurial activities (Lee & Black, 2017). Thus the general problem is that Nigerian immigrant entrepreneurs may not be aware of the business financial literacy of the U.S. credit system (Desiderio, 2014).

The specific problem is that Nigerian immigrant entrepreneurs in Houston, Texas, are unable to effectively use the U.S. credit system required for business sustainability because of their lack of financial literacy. Nigerian immigrants' lack of financial literacy of the U.S. credit system and commercial banking has resulted in challenges adversely affecting not only their social and economic inclusiveness but also their entrepreneurial sustainability (Lee & Black, 2017). Lack of financial literacy has restricted immigrant entrepreneurs' access to financial credit capital, as seen in the decline from 55% in 2011 to 48% in 2012 (Fairlie, 2013). There is a need to expand Houston-based Nigerian immigrants' financial literacy to ensure their financial stability while also considering sensitive cultural interventions (Krichevsky, Qirjo, & Chrysostome, 2016; Singh & Gibb, 2013).

Purpose of the Study

The purpose of this qualitative exploratory case study was to develop a deeper understanding of the ways that Nigerian immigrant entrepreneurs' level of financial literacy might help them to identify what they need to use the U.S. credit system successfully to sustain their business growth in Houston, Texas. The target population for this study comprised Nigerian immigrant entrepreneurs who are business owners within the Houston, Texas, metropolitan area. To establish adequate generalization, I used purposive sampling to obtain a sample of 18 entrepreneurs.

Additional document sources, including journals on financial literacy and immigrant entrepreneurs, were reviewed, along with SBA websites, to explore and analyze immigrant businesses, immigrant entrepreneurship, financial literacy, and the U.S. credit system. These findings may (a) provide immigrant entrepreneurs with information on financial business decisions; (b) promote further understanding of the tools that could increase the number of opportunities leading to sustainable immigrant startups (Lee & Black, 2017); and (c) help to bridge the gap in the literature on immigrant business finance and funding.

Research Question

RQ: What do Nigerian immigrant entrepreneurs in Houston need to do to be financially literate and navigate the U.S. credit system successfully as they strive to sustain their business growth?

Conceptual Framework

The conceptual framework of this qualitative exploratory case study was grounded in the rational choice theory, initially developed by Goode (1997). According to the rational choice theory, Nigerian immigrant entrepreneurs, as rational agents, would consider the value of the information available to them, the risks involved in setting up businesses, and the costs and benefits of those decisions before choosing the best options for their business situations. The use of rational choice theory was appropriate for this study because it aligned with the assumption that Nigerian immigrant entrepreneurs will

make the most sensible decisions based on their financial literacy to deliver the most significant benefit and satisfaction. Immigrants' cultural conditions, along with their motivation and emotions, help them to see opportunities for entrepreneurship in the host country (Gonzalez Rey, 2014).

Nature of the Study

The nature of this study was a qualitative exploratory case study. Jackson, Drummond, and Camara (2007) commented that one defining characteristic of qualitative research is content analysis, which involves conducting a textual analysis by comparing, contrasting, and categorizing data to understand the phenomenon under investigation. This qualitative method is suitable to obtain a deeper understanding of the financial literacy of Nigerian immigrant entrepreneurs. In qualitative research, the data that are generated are usually flexible and sensitive (Mason, 2002). Because I knew the data collected would not be rigidly standardized or structured, this method was appropriate for this study.

I did not select quantitative or mixed methods approaches to conduct this study because both are better suited to studies that test relationships or associations between and among variables. Fischer, Boone, and Neumann (2014) explained that quantitative research relies on statistical or mathematical computation to support hypothesis testing.

I analyzed the responses to the open-ended questions asked during the semistructured interviews with 20 Nigerian immigrant entrepreneurs in the Houston area

who had operated businesses in the United States for more than 7 years and earned an annual minimum net income of \$55,000. The annual net income of \$55,000 was chosen because it is about the average entrepreneur income in the state of Texas as well as in the United States at \$52,000 (SBA, 2018). The 7 years period was selected because it is in line with the average survival time of most businesses.

Cantamessa, Gatteschi, Perboli, and Rosano (2018) showed that most startup businesses that survive beyond the 5 to 7 years mark are more likely to stand the test of time. Analysis of the results helped to identify the accumulated experiences of the participants and the lessons that they learned to become financially literate and prosperous in their businesses. The analysis focused on the strategies and methods that the respondents adopted to understand the U.S. credit system.

Initially, I considered three qualitative designs to conduct the study (a) grounded theory, (b) phenomenology, and (c) case study. Grounded theory is an inductive procedure used by researchers to develop theories (Mahnke, Benlian, & Hess, 2015). Grounded theory was not an appropriate choice for this study because I did not intend to develop a theory. Phenomenology is the exploration of the meanings that research participants ascribe to their lived experiences of the phenomenon under investigation (Skiba & Disch, 2014).

However, phenomenology was not considered an appropriate research design because the purpose of this study was not to understand the participants' lived

experiences. A case study is an approach that enables researchers to explore specific phenomena within real-world contexts (Yin, 2013). A qualitative exploratory case study design was selected because it is more conducive to explore real-life scenarios (Spillman, 2014) and allowed me to study Nigerian immigrants' financial literacy within the framework of rational choice theory.

Definitions of Terms

Culture: A significant factor that influences the preferences and expectations of decision makers and consequently affects the activities and outcomes of economic ventures (Moghaddam et al., 2016).

Entrepreneurship: The capacity and willingness to build, scale, and manage business ventures by evaluating all risks involved to make a profit (Kenney & Patton, 2015).

Financial literacy: The proficiency of financial concepts and principles such as investing, budgeting, managing personal finance, and money (Lee & Black, 2017).

Nigerian immigrant entrepreneurs: Business-oriented individuals who have migrated from Nigeria to other countries and have become active participants in building and investing in business ventures to make profits (Adendorff & Halkias, 2014).

Rational choice theory: The belief that individuals naturally make sensible decisions that deliver the most significant benefit and the highest satisfaction or utility (Goode, 1997).

Assumptions

In realizing a study's objectives, several assumptions must be made. According to Wolgemuth, Hicks, and Agosto (2017), research assumptions are linked to the adopted theory or methodology. I made three assumptions to frame and guide the process of argumentation, evidence generation, and the conclusions to be drawn. I assumed that (a) the qualitative design that I selected was the most suitable approach to examine the phenomenon under study. The adoption of the qualitative design is built around its capacity to collect in-depth information that might not be captured by quantitative designs (Roulston & Shelton, 2015).

The second assumption concerns the adopted theoretical model. I assumed that the rational choice model was best suited for this study, which maintained that the participants, Nigerian immigrants, would always make the most sensible decisions when contemplating business issues. The third assumption was that the respondents would be honest in their responses to the interview questions.

Scope

This study was undertaken within the context of the financial knowledge of Nigerian migrants in the United States. Specifically, I intended to explore the Nigerian participants' use of financial services in the United States and how their knowledge of the U.S. financial system affects their use of and access to financial services such as credit facilities. The study was limited to businesses located within Houston, a city in Texas

that has a thriving population of businesses started and operated by Nigerian immigrants. In this study, the target was the owners of the businesses who were assumed to have a better understanding of patterns of credit use among Nigerian immigrants in the region.

Delimitations

Delimitations denote the boundaries that researchers establish to narrow the scope of the study. For this study, three boundaries focused on the respondents. The study was limited to examining the financial literacy of Nigerian entrepreneurs who own businesses in the Houston, Texas, area. The respondents needed to have operated their businesses in the United States for more than 7 years and earned an annual minimum net income of \$55,000 which is higher than average Texas and U.S. entrepreneur yearly income. The study was limited to studying individuals who agreed to participate in the study voluntarily. As such, participation was allowed only after signing the informed consent.

Limitations

A typical study is susceptible to limitations brought about by design issues stemming from such factors as bias and methodology. Palinkas et al. (2015) postulated that it is important that researchers identify the specific factors that might affect the rigor of the findings. I anticipated that two key factors might affect this rigor. The first issue related to the qualitative nature of the study. Wilson (2015) noted that qualitative studies tend to suffer from subjectivity because of the lack of randomness in the selection of participants. This is true for this study because sample selection was purposive.

McCusker and Gunaydin (2015) argued that there is a likelihood that the findings established might not be generalizable. The second limitation was that the findings would be drawn from the same target population I used to obtain my participants. Noble and Smith (2015) stated that such an occurrence might lead to researcher bias because there is a high likelihood of the researcher influencing the outcomes of the study.

Significance of the Study

Nigerian immigrants' lack of understanding of the U.S. credit system means that they do not have the financial literacy to manage their entrepreneurial activities successfully (Lee & Black, 2017). The findings of this study may offer insight into the challenges facing Nigerian immigrants and the ways that they can gain enough knowledge of the U.S. credit system to adopt that knowledge and use it to sustain their businesses. The focus of this study was to gain an understanding of the level of financial literacy and identify what Nigerian immigrant entrepreneurs need to do to use the U.S. credit system successfully to sustain their business growth in Houston, TX. I obtained information about their real-life experiences and identified the strategies that they have used to sustain their business growth in Houston. The results may help Nigerian immigrant entrepreneurs to obtain a more in-depth understanding of the U.S. credit system, encourage Nigerian immigrant entrepreneurs to share financial literacy strategies, and advance research on the relationship between the U.S. credit system and business sustainability.

Significance to Practice

By sharing their experiences and strategies, Nigerian immigrant entrepreneurs who were operating businesses with attainable growth at the time of the study using the U.S. credit system provide other entrepreneurs with valuable information that these other entrepreneurs can use to ensure the sustainability of their businesses. All immigrants to the United States who are interested in entrepreneurial opportunities may benefit from the results of this study. The research adds information to the literature on the financial literacy of Nigerian immigrant entrepreneurs and may perhaps serve as the foundation for the establishment of entrepreneurial education programs for immigrants that could help to reduce the high business closure rates among immigrant entrepreneurs.

Significance to Theory

The study was based on the rational choice theory, which states that when given different opportunities, individuals will always select the alternatives that give them maximum benefits based on the available information (see Burns & Roszkowska, 2016). Therefore, I highlighted how a lack of information, such as financial knowledge and the U.S. credit system, limits the ability of Nigerian immigrants to maximize the benefits of conducting business in the United States. I also addressed the issue of access to credit services for businesses owned by Nigerian immigrants as a way of improving the effectiveness of their organizational decisions and boosting the performance of their businesses.

This study's significance to theory is that stakeholder theory and economic theory of the firm was applied to address the gap in the literature regarding how the effective execution of public sector strategic management is influenced by politics (see Baškarada & Hanlon, 2017; Tama, 2016). The study of public sector strategic management should focus on the organizational environment, which is political and complex (Van der Voet, 2016). The conceptual framework may address the call for strategic management theories to integrate theories, establish evaluative criteria, and explore new logic and methods (see Bao, 2015).

Significance to Social Change

Nigerian immigrants in Houston, Texas who are interested in entrepreneurial opportunities may benefit from the results of this study, which could help them to understand the U.S. credit system and increase their financial literacy. The results also could be used to initiate social change by improving the financial literacy of entrepreneurs in other U.S. communities. The new knowledge might help SBA, a government agency that provides loan, grants and credit facilities to small business owners, to identify and develop effective social change programs that could be beneficial to Nigerian as well as other African immigrant businesses (Frid et al., 2016).

Summary and Transition

In Chapter 1, the problem statement and purpose statement with the RQ and the conceptual framework were aligned. The focus of this study was financial literacy and the

knowledge of the U.S. credit system among Nigerian immigrants who own businesses in Houston, Texas. A qualitative approach was chosen to analyze secondary and primary data in order to identify the trends and outcomes in businesses owned by Nigerian immigrants living in Houston.

Some of the sources of data that were used include responses to surveys and structured interviews as well as business reports. The information used in the analysis includes the experiences of Nigerian business owners in Houston and their knowledge of the U.S. financial and credit systems. The rational choice theory was chosen to demonstrate how the availability of financial information influences business decisions.

Chapter 2 is the literature review, which involves extensive analysis of previous research on the same topic. The literature was reviewed for research methods and findings and how they related to this study. In Chapter 2, gaps in studies are identified and justification is offered for conducting this research.

Chapter 2: Literature Review

Nigerian immigrants with an entrepreneurial spirit leave their native country and move to the United States to pursue business opportunities (Adesokan, 2015). Many Nigerian immigrants' lack of understanding of the U.S. credit system means that they do not have the financial literacy to manage their entrepreneurial activities (Lee & Black, 2017). Researchers have called for more considerable attention to the challenges faced by immigrants, especially Nigerian immigrants, to understand the financial credit system (Lee & Black, 2017). The problem addressed in this study is the financial illiteracy that prohibits many Nigerian immigrant entrepreneurs in Houston, Texas, from using the U.S. credit system effectively to sustain their businesses. The purpose of this qualitative phenomenological study was to identify the strategies that successful Nigerian immigrant entrepreneurs have used to sustain their business growth in Houston, Texas.

Entrepreneurs have strong business skills that make them innovative business leaders. Immigrant entrepreneurs come to the United States and bring their entrepreneurial dreams with them (Frid et al., 2016). For immigrant entrepreneurs, financial literacy is one of the basic requirements of business success. Financial literacy refers to understanding the financial terms, transactions, and other financial aspects of business success. Therefore, immigrant entrepreneurs need financial expertise and education to succeed. The financial systems and financial practices of foreign countries are different from those in the United States, a situation that presents many challenges for

immigrant entrepreneurs that can be overcome by having sound financial knowledge and education (Mimura et al., 2015). The significance of having financial literacy cannot be denied.

Once Nigerian immigrant entrepreneurs gain more understanding of the U.S. credit system, the number of opportunities leading to sustainable immigrant business startups may increase (Lee & Black, 2017). It is crucial for Nigerian entrepreneurs in Houston, Texas, to be financially literate so that they can fit into the new business environment with minimal challenges. In this chapter, relevant literature on the conceptual framework is presented, as well as other researchers' perspectives of financial literacy strategies and options, and gaps in the literature.

Literature Search Strategy

To locate research on the concepts related to financial literacy and awareness of the United States credit system, Walden University Library's online channels and purchased publications were searched. The search encompassed a computerized ESCBO database search, which included the databases Academic Search Premier, Business Source Complete, SAGE, ABI/Inform Collection, Emerald, Elsevier, and other relevant databases (see Table 1). The search terms were *financial literacy*, *entrepreneurship*, *immigrant entrepreneurs*, *pros and cons of financial literacy*, and *challenges faced by immigrant entrepreneurs*.

Table 1

Literature Search Strategy

| Databases | Types of literature searched | | |
|--------------------------|--------------------------------|-----------------------|-----------------|
| | Key words | Scholarly journals | Books |
| ABI/Inform Collection | Immigrant entrepreneur | Journal of Management | Research design |
| Sage Journal | Rational choice theory | Business strategy | |
| Business Source Complete | Challenges faced by immigrants | | |
| Emerald Management | Benefits of financial literacy | | |
| Academic Search Premier | Financial literacy | | |
| Elsevier | | | |

Note. Key words were used in combination to expand the number of sources of literature.

Conceptual Framework

A conceptual framework is a theoretical approach a researcher uses to carry out a research problem. It is usually specific to the research problem for which it is created (Imenda, 2014). It provides a theoretical understanding of different concepts needed to understand the basic concept of the research topic. A conceptual framework is used to explain theories and concepts better, and hence, provide the basis to link the different variables of research with each other (Imenda, 2014). In other words, a conceptual framework is a map that researchers prepare to assist in data collection, interpretation, and understanding from different perspectives.

The concept in the framework plays a role in the construct of the research and hence, particular to the specific research problem. According to Jabareen (2009), a conceptual framework sets a stage for the presentation of a research question based on

which investigation is made to gather the relevant information. The conceptual framework for this study was the rational choice theory, meaning that Nigerian immigrants are the rational agents who can make appropriate business decisions in the U.S. market by acquiring financial literacy. The key concepts discussed in the conceptual framework are rational choice theory, financial literacy, entrepreneurship, and immigrant entrepreneurs.

Rational Choice Theory

Rational choice theory is the action theory that researchers use to study the social and economic behaviors of individuals. It supports the notion that individuals have different options and that, based on their personal preferences and social norms, individuals can make their own decisions (Burns & Roszkowska, 2016; Goode, 1997). The focus of this theory was individual choices. Identified in the literature was individual decision making as being based on rational calculations and aligning with their personal goals and objectives. Despite the availability of multiple choices, individuals choose options that provide benefits and advantages and satisfy their personal goals (Coleman & Fararo, 1992; Pepper & Gore, 2012). Decisions based on rational choices enhance individuals' levels of satisfaction.

The rational choice theory also assumes that people make decisions that have a positive effect on their returns or performance and reduce the level of risk and losses for them. Rationality encourages individuals to make specific decisions (Hechter &

Kanazawa, 1997; Shenhav et al., 2017). This theory has served as the basis of the rational decisions made by individuals to maximize benefits and minimize losses. This theory was used to highlight how the lack of financial knowledge limits the success of Nigerian immigrant entrepreneurs in the United States.

Rational Choice Theory, Financial Literacy, and Immigrant Entrepreneurship

Lusardi and Mitchell (2014) established a correlation between financial literacy and immigrant entrepreneurship by exploring the economic significance of financial information in building and sustaining new entrepreneurial ventures. Knowing the concept of rational decision making is vital to individuals seeking to venture into new areas of business (Lusardi & Mitchell, 2014). Saptono (2018) studied the influence of enterprise education on financial literacy and found that individuals with adequate financial information and knowledge made more appropriate entrepreneurial decisions. Saptono investigated the effect of financial literacy among immigrant entrepreneurs in the United States to identify the challenges that could limit their integration into the host country's entrepreneurial activities. Fauziah, Yusoff, and Usama (2018) studied the relationship between rational choice theory, financial literacy, and immigrant entrepreneurship by considering preference propositions, constraint proposition, and entrepreneur motivations.

Preference proposition. The rational choice theory views entrepreneurs as goal-oriented individuals who rely on their decision-making skills to identify preferences that

can help them to make choices and consider alternatives. However, immigrant entrepreneurs may not benefit from this aspect because of their scant knowledge of markets and business operations (Oseifuah, 2010). In addition, entrepreneurs who have low levels of financial illiteracy are ineffective decision makers who struggle to make educated business decisions.

Fauziah et al. (2018) noted that Nigerian immigrants in Texas and other regions in the United States struggled to identify specific preferences and consequently made poor decisions because of gaps in their knowledge of financial literacy. Oseifuah (2010) identified the lack of adequate financial literacy as a critical challenge facing South African entrepreneurs seeking business opportunities in the United States and other developed countries.

Constraints proposition. According to Uyar (2019), the understanding of entrepreneurial opportunities among immigrants include incentives in terms of prices, economic factors, legal, and economic aspects. The correlation of these factors can determine the success and sustainability of Nigerian entrepreneurs in Houston and other lucrative areas in Texas. Uyar indicated that governments that provide incentives by removing constraints and supporting financial literacy facilitate the informed decision making of immigrant entrepreneurs. Sahadeo (2016) analyzed the significance of financial literacy in the decision making of immigrants and discussed the effect of immigrants with an inadequate understanding of legal and economic regulations. The

ability of immigrant entrepreneurs to make a rational decision is influenced by the extent of their understanding of business regulations, requirements, and limitations (Sahadeo, 2016).

Rational action and entrepreneur motivations. Having financial literacy is key to the entrepreneurial success of foreign business owners in the United States. Wise (2013) studied the performance of Nigerian entrepreneurs in Texas who had little financial literacy of the state's business operations. Their levels of financial literacy determined their financial option maximization, seized opportunities, and projected business obstacles. Wise found that immigrants who had valuable financial literacy had higher motivation and were more comfortable making strategic business decisions. Njaramba, Chigeza, and Whitehouse (2018) identified similar results among immigrants in Australia, who, with enough financial literacy and other support programs from the host country, make rational entrepreneurial decisions resulting from increasing motivational strategies.

Literature Review

Financial Literacy

Financial literacy refers to the financial expertise and understanding needed to make critical business or financial decisions. According to the World Bank and the Organisation for Economic Co-operation and Development (OECD), financial literacy comprises financial awareness, knowledge, and skills of individuals to make sound

financial decisions that lead to financial well-being and the appropriate business decisions (Fernandes, Lynch, & Netemeyer, 2014; Garg & Singh, 2018; Hastings & Mitchell, 2010).

According to Lusardi and Mitchell (2014), being financially mature and having the ability to reduce financial risks are central to business sustainability. If business leaders and managers do not have a proper understanding of risks and hedges, they are likely to put their businesses into jeopardy (Braunstein & Welch, 2002). Eniola and Entebang (2015) confirmed that a significant obstacle to the business growth of small-to-medium enterprises (SMEs) is the lack of competency in such areas as knowledge, skills, awareness to new tools and ideas, and innovativeness. Abdullah and Azam (2015) noted that innovative thinking is directly related to skills and knowledge fields. Only when individuals have tried or have understood old ideas and are aware of their outcomes can they develop innovative new ideas. This innovation falls under the category of business knowledge and more particularly, financial literacy of the decision maker.

Researchers have asserted that financial literacy has a significant role in influencing consumers' behavior by affecting their attitudes toward saving and consuming (Gouws & Shuttleworth, 2009; Lusardi & Mitchell, 2014). When individuals have sound financial knowledge, they can make saving and consuming estimations, but when they lack financial literacy, they might overspend, with the result of financial problems (Fernandes et al., 2014; Gerardi, Goette, & Meier, 2010). Financial literacy

allows people to acquire financial expertise and make rational choices based on the economic value of each choice (Lusardi, Michaud, & Mitchell, 2017; Willis, 2011). Acquiring basic financial knowledge allows people to prepare budgets and make informed decisions about investments and expenses (Austin & Arnott-Hill, 2014; Njaramba et al., 2018). Acquiring more advanced financial knowledge enables the people to make appropriate investment decisions, pursue different financing schemes, plan for retirement, and select insurance plans.

Financial literacy comprises an awareness of basic financial concepts, financial transactions, and the working of finance-based products and services. Financial literacy must be learned over time. Having basic financial knowledge protects entrepreneurs from possible financial threat (Lusardi et al., 2017; Van Rooij, Lusardi, & Alessie, 2011; Willis, 2011). Acquiring excessive amounts of financial knowledge is not necessary to become a successful investor, creditor, entrepreneur, or employee; instead, people should strive to acquire financial literacy based on their needs and circumstances (Fernandes et al., 2014; Gale & Levine, 2011; Sean, 2013).

Researchers have shown that financially literate people are more aware than those who lack financial literacy of business circumstances (Braunstein & Welch, 2002; Wise, 2013). People with financial knowledge can plan for their retirements or save money for their later years in life. Having financial literacy allows people to make sound decisions regarding the utilization and management of money and other resources (Gouws &

Shuttleworth, 2009; Hastings & Mitchell, 2010). Financial literacy is a combination of skills, knowledge, and attitudes toward money management that facilitate informed decisions about money (Bhushan & Medury, 2013; Hastings & Mitchell, 2010). People with sound financial knowledge are better able to identify areas from which they can generate maximum returns and minimize risks.

Financial Literacy for Immigrants

Newcomers to any business environment need to be introduced to the different social, cultural, and economic aspects that define the businesses and entrepreneurship (Aprea et al., 2016). The United States continues to expand its international business relations and policies to ensure that immigrant entrepreneurs can fit into the business environments across the country (Ratten, Jones, Braga, & Marques, 2019). Aprea et al. (2016) and Ratten et al. (2019) agreed that offering appropriate financial literacy programs to immigrant entrepreneurs can boost the national economy through an increase in business activities and employment levels, and the enhancement of cultural integration.

Gomez et al. (2015) noted that the increasing influx of immigrants into Houston requires the implementation of financial literacy programs for the immigrants that consider starting a business venture. Although Nigerian immigrants starting business ventures and other entrepreneurial activities in the Houston region have a basic understanding of the financial literacy of the Texas business and market environment, offering them extensive programs on financial literacy would help them to make strategic

decisions and assimilate more easily and quickly into the area's entrepreneurial activities (Gomez et al., 2015).

Dana, Ratten, and Honyenuga (2018) suggested that financial literacy programs be expanded from providing necessary information on reducing poverty among immigrants to including information on starting and sustaining businesses. Similar findings by Adetunji (2017) showed that Western countries that assess the financial literacy of immigrant entrepreneurs and provide interventions could help to avert economic and social problems that might harm cooperation among different communities. Dana et al. recommended that introductory financial literacy programs be offered to all immigrants interested in pursuing business activities in Houston to ensure that they complied with local and regional requirements.

Kritikos (2014) explored the levels of financial literacy among immigrants and their impact on the appropriateness of strategic business decisions. Gaps in financial knowledge have been attributed to the failure of many enterprises by foreigners in the United States and other developed nations (OECD, 2013). According to Kritikos, Nigerian immigrants have little knowledge on entrepreneurship that targets a global market because of little or no financial literacy knowledge that aid in the development of marketing and business strategy that seek to expand operations and diversify markets. Surviving in dynamic cities such as Houston requires that entrepreneurs have adequate

and strategic financial knowledge that can help them to make decisions beyond bookkeeping and market diversification.

Importantly, immigrants' background should be considered while creating financial literacy policies for immigrants' business market performance, and the success of an individual business. Retzmann and Seeber (2016) showed in their study of financial education that the host governments should seek the existing training programs in immigrant entrepreneurs' home countries. Mexico and Nigeria are among the nations that contribute the highest number of immigrant entrepreneurs in Texas, thus highlighting the need to identify differences and similarities in financial education and training programs between the countries (Fauziah et al., 2018). Initiatives that close the gaps in financial literacy through appropriate sensitization and training could introduce the immigrants to the new business environment, including requirements and regulations.

The inclusion of immigrant diversity in decision making is an essential element when the Texas government plans to empower immigrant entrepreneurs seeking business opportunities (Doran, McCarthy, O'Connor, & Nsiah, 2018). Success in the contemporary business environment depends on understanding culture and preferences. Rational choice theory is useful in helping immigrants to make decisions on the type of businesses that they wish to pursue and the types of customers whom they wish to attract.

Factors That Influence Financial Illiteracy Among Immigrant Entrepreneurs

Wise (2013) considered financial literacy a common factor in determining the business success of immigrant entrepreneurs in developed countries. Changes in business requirements and the dynamism of the global economy require entrepreneurs who can adapt to various business environments by making appropriate business decisions that meet market needs and regulatory requirements (Wise, 2013). Saptono (2018) noted that the influence of financial literacy among immigrant entrepreneurs has enormous effects on the host community in terms of social and cultural integration that is supported by successful entrepreneurial ventures.

Gomez et al. (2015) explored the effect of variations in a native, immigrant in the United States through an analysis of diversity in market and business operations. A cross-sectional study of Nigerian entrepreneurs in Houston showed the effects of differences in the formation of markets and the practice of business operations on decision making. Penetrating the Texas markets required having an adequate understanding of regulations, client preferences, and the competition (Gomez et al., 2015).

The Houston and Nigerian market structures and business operations are compatible, with the former requiring a specific analysis of market segments to guarantee positive returns. According to Ratten et al. (2019), Nigerian immigrants who lack financial knowledge of Texas markets and business operations are likely to make decisions that cannot sustain their businesses or compete favorably with local

entrepreneurs. Saptono (2018) indicated that programs in financial literacy have focused on meeting the knowledge and information needs of the increasing number in Nigerian entrepreneurs seeking to fit into the diverse pool of entrepreneurs in the United States.

On the other hand, the OECD (2013) considered culture a significant influence of financial illiteracy among immigrant entrepreneurs. Differences in cultural practices and conceptions can affect the integration of immigrants' business operations, leading to ineffective business among foreign business operators. In particular, the levels of financial literacy among Nigerian immigrant entrepreneurs are affected by cultural stereotypes in the United States.

Njaramba et al. (2018) noted that the perceptions among Texans of the corruption misconceptions attributed to all Nigerians also had effected financial literacy levels. Implementation of financial literacy programs has focused on integrity rather than the proper decision making needed to sustain business operations. Sahadeo (2016) pointed to the unique cultures between Texas and Nigeria as an impediment to the expansion of financial literacy programs among immigrants. However, the appreciation of the global business community and other factors enabled international business integration and facilitated the growth of programs that seek to assimilate immigrants into mainstream business activities.

The financial policies between the United States and Nigeria have a different process in providing financial literacy for entrepreneurs. Retzmann and Seeber (2016)

stated that the nature of the business environment and the budgets that are available dictate the financial literacy of entrepreneurs. In Nigeria, specific programs are used to reinforce the knowledge provided in government education curricula. In the United States, the federal government ensures that financial literacy is provided to college students seeking to venture in entrepreneurship (Retzmann & Seeber, 2016).

The correlation between financial policies and educational programs determine the levels of financial literacy on entrepreneurship. Monetary policies in the United States do not focus more on providing information about financial literacy because it is covered in the regular educational curricula. Therefore, Nigerian immigrants may not have access to adequate financial information and knowledge to establish themselves in the Texas business environment.

Fauziah et al. (2018) considered the influence of social discrimination in maintaining the financial illiteracy of immigrant entrepreneurs. I found that some social discrimination policies discriminated against immigrants and prevented them from accessing mainstream learning opportunities in financial management and decision making. Racism and ethnic disparities continue to influence the effectiveness of financial literacy programs extended to immigrants to introduce them to the new business environment. However, Doran et al. (2018) indicated that the factors negatively influencing the financial literacy of immigrant entrepreneurs can be resolved through social, cultural, and economic integration policies that consider immigrants equal

contributors to crucial sectors of economic growth. Reducing the financial illiteracy of immigrant entrepreneurs is a positive step toward creating more business opportunities for immigrants in a fair, competitive environment.

Entrepreneurship

Koe, Omar, and Sa'ari (2015) defined entrepreneurship as the ability to run businesses by evaluating and managing all the associated risks. Entrepreneurs are the owners and initiators of businesses who possess the passion, confidence, leadership skills, strong communication skills, and charismatic personalities. They are innovators, initiators, and risk takers who can identify market opportunities and take the initiative to exploit such opportunities using creativity and innovation (Nuvolari, Toninelli, & Vasta, 2018; Suparno & Saptono, 2018). As risk takers, entrepreneurs are willing to make uncertain actions to maximize their returns. Some researchers have suggested that entrepreneurs are the most creative people who want to develop something new and creative for the marketplace rather than general business people (Bell, Gorin, & Hogarth, 2009; Nuvolari et al., 2018; Siekei, Wagoki, & Kagio, 2013).

Entrepreneurs play diversified roles in any market, in process business, entrepreneurs are the initiators and innovators. On the other hand, in the behavior dimension, entrepreneurs are the people who identify the market opportunity and make necessary arrangement of resources to avail that opportunity. Entrepreneurs are considered the mainstay of successful economies because they stimulate, create

employment opportunities, reduce poverty, and contribute to improving living standards (Njiraini, Gachanja, & Omolo, 2018; Suparno & Saptono, 2018). This crucial role of entrepreneurs can be enhanced even further by ensuring that they have basic financial literacy.

Entrepreneurs with sound financial literacy are more productive and creative than those who lack financial literacy. Having necessary financial awareness not only enables the entrepreneurs to analyze their risks and returns but also helps them to prepare financial statements (Moghaddam et al., 2016; Wise, 2013). With proper financial knowledge, entrepreneurs can make knowledgeable financial decisions regarding borrowing or investing funds. Economic success is deeply rooted in the entrepreneurs' acquisition of financial literacy (Caliendo, Fossen, & Kritikos, 2013; Njiraini et al., 2018).

Some researchers have argued that entrepreneurs often engage in risky transactions to generate the maximum amount of return (Moghaddam et al., 2016). Giving the example of Malaysian SMEs, Ahmad, Ramayah, Wilson, and Kummerow (2010) noted that many business executives and entrepreneurs evaluate an opportunity based on the investment amount required and the potential rate of return but insensitive to the calculated risk exposure. They often completely ignore the details involved and make flawed assumptions only about rates of return.

Financial literacy is not limited to understanding financial statements and cash flows alone but also understanding their sources, patterns, and how a change in one quantity drives a change in the other financial quantities. For this reason, having financial knowledge helps to protect entrepreneurs from engaging in costly and risky transactions. Having financial literacy can help entrepreneurs to navigate tricky financial situations. Entrepreneurs who have sound financial knowledge do not panic in uncertain financial situations and can make decisions effectively (Gathungu & Sabana, 2018; Gouws & Shuttleworth, 2009). Hence, financial literacy protects entrepreneurs from making costly business decisions.

Niwaha, Tibihikirra, and Tumuramye (2016) and Suparno and Saptono (2018) asserted that financially literate business people could minimize risk by taking such appropriate strategies as diversifying their portfolios, having insurance, accumulating savings, and other strategies. Niwaha et al. argued that financially literate entrepreneurs could mitigate the risk of financial transactions. They further argued that due to this financial literacy of customers, financial institutes could compete over the financial services provided by them.

Some researchers have found that customers and entrepreneurs use their financial skills to assess the quality of services provided by different financial institutions and by carefully assessing decisions to make an appropriate investment, open accounts, or use any other financial services. Thus, entrepreneurs prefer to use better services at minimum

cost, is possible only by having sound financial awareness (Austin & Arnott-Hill, 2014; Elan & Goodrich, 2011). Other researchers have argued that people with insufficient financial knowledge are more attracted by the advertisements and promotions of financial institutions and often become engaged in costly and less beneficial financial services (Moghaddam et al., 2016; Oseifuah, 2010).

Financially illiterate individuals cannot assess the attributes of financial products and might make inappropriate purchase decisions (Dahmen & Eileen, 2014; Elan & Goodrich, 2011). Entrepreneurs with better financial knowledge contribute to business success and improved sales. They can manage their funds effectively to maximize outcomes and minimize costs and risks (Agarwal, Amromin, Ben-David, Chomsisengphet, & Evanoff, 2010; Elan & Goodrich, 2011; Oseifuah, 2010). Lacking financial awareness hurt business performance.

Migration and Immigrant Entrepreneurship

Immigrant entrepreneurship is a concept that has gained in importance. Researchers have identified a significant rise in immigrant entrepreneurship by establishing SMEs and home-based businesses (Andoh, Nunoo, & Darfor, 2015; Hossain, 2015; Ndofor & Priem, 2011). Entrepreneurship has become the preferred mode of earning a living for many immigrants in the United States (Elan & Goodrich, 2011; Gomez et al., 2015). Immigrants find it easier to carry entrepreneurial activities to set employment opportunity for themselves.

Researchers have shown that immigrant entrepreneurs are the major contributors to the economies of the host countries. They create business opportunities, provide employment opportunities, and make efforts to reduce levels of poverty and improve lifestyles (Gibson, McKenzie, & Zia, 2014; Isla & Rialp, 2013). Gomez et al. (2015) examined the role of immigrant entrepreneurs in the U.S. economy and found that in 2010, more than 40% of all Fortune 500 companies had been started by immigrants or the children of immigrants. The report further revealed that these immigrant entrepreneurs contributed \$900 billion to the U.S. capital market and created approximately 600,000 jobs. Immigrant entrepreneurs have played a dominant role in the economic growth of the United States.

Immigrant entrepreneurship refers to the entrepreneurial activities of immigrants in the host countries. It is facilitated by social networking and individual initiatives (Tengeh & Nkem, 2017; Zolin & Schlosser, 2013). Some researchers have defined immigrant entrepreneurship as the process by which immigrants establish businesses in the host countries to meet their financial needs (Gibson et al., 2014; Krichevsky et al., 2016). Like other entrepreneurs, immigrant entrepreneurs also contribute to the economic development of the host countries, as mentioned previously (Frid et al., 2016; Lee & Black, 2017).

It has been noted that immigrant entrepreneurs face challenges in the host countries that might include a lack of government support, limited access to funds, and a

lack of financial knowledge and literacy (Frid et al., 2016; Hossain, 2015; Kezar & Yang, 2010). Researchers have argued that because entrepreneurs are usually (a) illiterate, (b) less educated, or (c) are incapable of obtaining jobs in the host countries, they set up their own businesses to address their financial needs (Dougherty, Nienhusser, & Vega, 2010; Gibson et al., 2014). Having less financial knowledge and awareness, they are exposed to various risks that can be exacerbated if not managed appropriately managed.

Entrepreneurs' Financial Literacy

All individuals make financial decisions that can include purchasing fixed assets, machinery, or property; investing in stocks and bonds; asking for bank loans; managing their funds and savings; and other financial tools (Austin & Arnott-Hill, 2014; Fatoki, 2014). Everyone needs to be financially literate, but it is particularly crucial to business owners who do not have financial experts to guide them and make financial decisions on their behalf. The Association of Chartered Certified Accountants (ACCA, 2014) and Samkin, Pitu, and Low (2014) discussed the need for self-employed entrepreneurs to demonstrate financial literacy who must make decisions on their own. Having financial literacy boosts the skills of entrepreneurs and enables them to perform analyses and assessments in more detail to analyze the prospects of opportunities. Thus, being financially literate allows entrepreneurs to make prudent business decisions, minimize risks, and maximize returns (Fatoki, 2014; Pandey & Gupta, 2018). It also encourages

entrepreneurs to enhance their financial position and performance (Boyke, 2019; Pandey & Gupta, 2018).

Literacy is the ability to read or write, as well as understand critical concepts (Bruhn & Zia, 2013). Similarly, financial literacy is the ability to understand financial concepts and basic financial terms to manage funds as well as make investments and other decisions correctly. Financially literate entrepreneurs manage their funds and resources effectively, understand the financial system and policies, and have better corporate performance (Gathungu & Sabana, 2018; Sucuahi, 2013). Boyke (2019) and Samkin et al. (2014) contended that financially illiterate immigrant entrepreneurs are unable to manage their funds and resources, often engage in risky and costly transactions, and do not understand the financial systems and policies of the host countries. In many cases, their businesses fail.

Entrepreneurs' lack of financial literacy limits their role and adversely affects their entrepreneurial skill levels. Entrepreneurs who are considered confident, passionate, and outstanding innovator and initiator are held back because of their lack of financial knowledge. They find it difficult to understand the basic financial terms needed for a business. They also are unable to perform cost value profit analysis or compare different financial products, and they find it challenging to study different financial reports, interpret results, and make decisions based on those reports. To overcome these issues and polish their entrepreneurial skills, they need sound financial knowledge (Abubakar,

2015; Pandey & Gupta, 2018). Having financial literacy increases entrepreneurs' earning capabilities and can help them to analyze products better, identify different opportunities, and properly manage their funds, all of which can enhance their incomes (Abubakar, 2015; Andoh et al., 2015). However, it has been argued that the lower financial literacy of entrepreneurs is the reason that most SMEs fail. Having sound financial knowledge can improve the performance of SMEs and entrepreneurs (Fatoki, 2014; Setiaji, 2017).

Benefits of Financial Literacy

Being financially literate has many benefits for businesses and individuals, namely, managing budgets, arranging resources, allocating funds appropriately, and taking advantage of investment opportunities (Behrman, Mitchell, Soo, & Bravo, 2010; Bhushan, 2014). Some researchers have argued that it is difficult to acquire financial literacy without having financial awareness, meaning that only financial graduates can acquire knowledge of financial literacy easily (Kaiser & Menkhoff, 2017; Kumari, 2017). Entrepreneurs who have financial literacy can manage their debt loads properly, improve their creditworthiness, and enhance their buying power (Brown, Grigsby, van der Klaauw, & Zafar, 2016; Cole, Sampson, & Zia, 2009). Entrepreneurs who are financially illiterate lack these capabilities and often borrow excessively, an action that can affect their creditworthiness and affect their borrowing capacity (Awais, Laber, Rasheed, & Khursheed, 2016; Brown et al., 2016; Huston, 2012).

Having financial literacy gives entrepreneurs financial awareness that can help them to determine risk exposure associated with business transactions. Entrepreneurs can analyze their expected returns based on their perceived level of risk so that they can make sound business decisions (Adomako & Danso, 2014; Eresia-Eke & Raath, 2013).

Financially illiterate entrepreneurs are unable to identify opportunities and often make poor investment decisions that eventually lead to poor business performance (Bhushan & Medury, 2013; Chittithaworn, Islam, Keawchana, & Yusuf, 2011).

As Lusardi and Mitchell (2014) explained, firms dealing with credit investments must make feasibility and return-on-capital reports to explain how they will recover their investments, risk probability, and how they will maintain liquidity in times of market crashes. In such scenarios, it is essential to not get too excited by market trends and to keep an eye, instead, on the capacity of businesses to manage financial losses and find strategies to distribute risk (Musie, 2015). It is safe to assume that business plans and investment schemes designed without an adequate understanding of financial literacy might expose the firm to unforeseeable risks that are always difficult to prevent and manage (Allgood & Walstad, 2011; Levent, Masurel, & Nijkamp, 2003).

Problems Resulting from a Lack of Financial Literacy

Business and individuals need to be financially literate because of increased global competition and globalization. Entrepreneurs who lack financial knowledge often make inappropriate financial decisions (Kaiser & Menkhoff, 2017; Van Rooij et al.,

2011) that can lead to poor decision making, excessive borrowing, inappropriate lending, poor investing of funds, and even bankruptcy (Brown et al., 2016; Jappelli & Padula, 2013; Lusardi & Tufano, 2015). Poor money management and a lack of financial planning can be overcome by having sound financial knowledge (Lusardi & Tufano, 2015; Mitchell & Abusheva, 2015).

Financially illiterate entrepreneurs find it difficult to identify swindles or fraud and protect themselves accordingly (Klapper, Lusardi, & Panos, 2013; Setiaji, 2017). Fraudulent activities can be better controlled by financially aware entrepreneurs, as suggested by Levent et al. (2003) and Newman, Schwarz, and Borgia (2013). Financial illiteracy also can result in costly financial errors (Jappelli & Padula, 2013). Austin and Arnott-Hill (2014), as well as Hastings and Mitchell (2010), asserted that financially literate entrepreneurs could protect themselves from costly financial errors.

Researchers have found an indirect relationship between financial illiteracy and the wealth of companies, that is, entrepreneurs who lack financial knowledge are incapable of generating excessive wealth for their companies (Behrman et al., 2010; Fauziah et al., 2018). Financially illiterate entrepreneurs borrow more and pay excessive fees and expenses unnecessarily (Brown et al., 2016; Farsi & Toghraee, 2014). In addition, illiterate financial entrepreneurs often invest in one or two securities rather than diversify their portfolios; whereas, financially aware entrepreneurs are more willing to diversify their investment portfolios to minimize investment risks (Bhushan, 2014;

Setiaji, 2017). Entrepreneurs are the owners of SMEs who make their business decisions by themselves. They cannot approach experts or advisors for financial help (Andoh et al., 2015; Setiaji, 2017). They need to be financially literate to make appropriate decisions.

Relationship Between Financial Literacy and Entrepreneurial Efficiency

Researchers have identified a positive relationship between financial literacy and entrepreneurial efficiency (Gupta & Kaur, 2014; Kaiser & Menkhoff, 2017).

Entrepreneurs with enough financial literacy can contribute to the financial and nonfinancial success of businesses. Financial literacy is a skill that can enhance the entrepreneurial role and have a positive effect on businesses (Akanno, Emejuru, & Khalid, 2017; Fauziah et al., 2018; Ripain, Amirul, & Mail, 2017). Hence, having financial literacy enables entrepreneurs to acquire such financial skills as budget management, financial planning, credit management, and financial risk management (Allgood & Walstad, 2011; Eniola & Entebang, 2015). Researchers also have supported the role of entrepreneurship education in enhancing the entrepreneurial skills and financial literacy of entrepreneurs and contributing business success (Behrman et al., 2010; Kaiser & Menkhoff, 2017).

Having financial literacy allows entrepreneurs to access the financial services that eventually can improve business performance. Entrepreneurs with sound financial knowledge know how to acquire funds from diverse sources and use optimal strategies to address their capital needs in cost-effective ways (Allgood & Walstad, 2011; Bruhn &

Zia, 2013). Unlike other researchers, Deuflhard, Georgarakos, and Inderst (2015) argued that having a low level of financial literacy prevents entrepreneurs from making judgments and assessments and forcing them to rely on others' knowledge to make financial decisions. Financially literate entrepreneurs can maintain a better financial status and business position. They make sound judgments, assessments, and decisions that lead to corporate profitability and enhance the functioning of their businesses (Behrman et al., 2010; Bhushan, 2014; Eniola & Entebang, 2015).

Having financial literacy not only enhances entrepreneurial efficiency but also has a positive effect on business performance. Financially literate entrepreneurs take the initiative to protect their businesses from risks, seek attractive investment opportunities, and allocate their funds to maximize their returns (Behrman et al., 2010; Bhushan, 2014; Dahmen & Eileen, 2014). However, Niwaha et al. (2016) found an indirect relationship between financial literacy and corporate performance by examining other financial factors, including transaction costs and access to financial sources. Having financial literacy enhances the ability of entrepreneurs to gain access to financial sources that enable their businesses to innovate and pursue growth opportunities (Kaiser & Menkhoff, 2017; Wise, 2013). Financially literate entrepreneurs can survive, even in highly uncertain economic environments (Agarwal et al., 2010).

Financial literacy of entrepreneurs leads to credit management and cash flow management of companies. With sound financial knowledge, entrepreneurs can manage

their credit sources and cash flows to minimize risk exposure. Entrepreneurs can assess various sources of credit and select ones that are less costly (Barte, 2012; Brinckmann, Salomo, & Gemuenden, 2011). Similarly, having financial awareness and literacy means that entrepreneurs can allocate their cash to investing, operating, and financing activities more effectively (Bell et al., 2009; Siekei et al., 2013). Having financial literacy also helps companies to achieve their financial goals more easily (Allgood & Walstad, 2011; Beck & Demirguc-Kunt, 2006). There is a direct relationship between entrepreneurs' financial literacy and business performance: The more financially aware entrepreneurs are, the more productive their businesses will be.

Andoh et al. (2015) and Njoroge and Gathungu (2013) examined the financial literacy of entrepreneurs in Nairobi. Both groups of researchers found that the level of financial literacy in the country was high, as evidenced in the success of its SMEs. Another such study was performed by Wise (2013) and Boisclair, Lusardi, and Michaud (2015), and it was found that financial literacy of entrepreneurs enables them to interpret and understand financial concepts; hence, companies can prepare prudent financial statements for its stakeholders.

Zindiye, Chiliya, and Masocha (2012) conducted a study in Zimbabwe and found that the acquisition of financial knowledge and skills in bookkeeping, financial statement preparation, and budgeting and credit control had a positive effect on business performance. Research by Bell et al. (2009) and Siekei et al. (2013) showed that the

ability of entrepreneurs to perform financial analyses, budgeting, risk management, and credit management resulted in enhanced business performance. Researchers have identified a direct relationship between financial literacy and corporate performance.

Need for Financial Literacy for Immigrants

Immigrants from developing countries such as India, Pakistan, China, Bangladesh, and Nigeria are flocking into developed countries such as the United States, Britain, and Canada to seek to earn opportunities. The political and economic stability of developed countries is another factor in the movement of immigrants (Drexler, Fischer, & Schoar, 2011; Zuhair, Wickremasinghe, & Natoli, 2015). People migrate to developed countries to find jobs, business opportunities, and a higher quality of life than what was available to them in their home countries (Gramatki, 2017; Jappelli & Padula, 2013).

Nigeria is a developing country, and many of its citizens are relocating to the United States because of its political and economic stability. The population of immigrants is rising in the United States because of its strong economy and earning opportunities (Brinckmann et al., 2011; Dougherty et al., 2010; Zuhair et al., 2015). Aside from the benefits that these immigrants receive in the United States, they are exposed to challenges regarding cultural, linguistic, and financial system differences. Immigrants can face difficulties communicating, making contacts, socializing, and understanding the U.S. financial system, factors that prohibit the growth of their businesses and other entrepreneurial opportunities (Barte, 2012; Gramatki, 2017).

Access to financial literacy is a basic need for immigrants relocating to foreign countries. Becoming financially literate is necessary to perform well economically in foreign countries, create commercial opportunities, and minimize any associated risks (Brinckmann et al., 2011; Zuhair et al., 2015). Immigrants need to be financially literate and understand significant financial terms and concepts to fit into the new business environment and achieve their objectives (Allgood & Walstad, 2011; Remund, 2010).

Challenges Faced by Immigrant Entrepreneurs in Host Countries

Immigrant entrepreneurs relocate to foreign countries to pursue their entrepreneurial goals and business opportunities. The new economic and cultural environments create many challenges for them and make it difficult for them to conduct their businesses successfully. Immigrant entrepreneurs also face challenges related to their lack of social networks and the inability to obtain funds from the market (Fuller & Martin, 2012; Kim-Soon, Ahmad, & Poh, 2017). Immigrant entrepreneurs also face obstacles relevant to their lack of financial resources, different cultural norms and languages, limited access to funds, and insufficient knowledge and experience.

Some of their skills and knowledge are valued in their home countries, but they can be unrecognized in the host countries (Fuller & Martin, 2012; Gomez et al., 2015). For example, a professional degree obtained in India, Bangladesh, or Nigeria is valued in the home countries, but not in the host countries. Similar challenges are faced by Nigerian immigrants when they move abroad and need to have some basic financial

knowledge (Dougherty et al., 2010; Ndofor & Priem, 2011). Such challenges in the host countries make it difficult for immigrants to secure good jobs. As a result, they engage in entrepreneurial activities that have a minimum of entry barriers (Isla & Rialp, 2013; Kezar & Yang, 2010).

Immigrants face challenges pursuing entrepreneurial activities in host countries because of differences in political systems, government support, and other favors provided to immigrants (Fuller & Martin, 2012; Tengeh & Nkem, 2017). In Malaysia, the government supports new businesses in the belief that they will contribute to the country's economic growth and create employment opportunities that might improve the standard of living. To promote entrepreneurship in Malaysia, the country is nurturing SMEs; developing its infrastructure; and providing financial skills, knowledge, and training so that the country can benefit from entrepreneurial activities (Abdullah & Azam, 2015; Andoh et al., 2015; Dougherty et al., 2010).

Australia also promotes immigrant entrepreneurs, and the government is responsible for providing better living and earning opportunities to immigrants. It also provides immigrants with the necessary skills and training so that they can be successful in Australia and contribute to the economy (Awais et al., 2016; Huston, 2012). On the other hand, countries like Britain oppose immigrant entrepreneurship in the belief that it threatens local businesses. Countries such as Kuwait and Oman consider immigrants as foreigners and do not give them treatment equal to that of other citizens. This behavior

creates challenges for immigrant entrepreneurs that they can overcome by having prudent financial knowledge (Farsi & Toghraee, 2014; Kezar & Yang, 2010).

Thus, immigrant entrepreneurship needs financial knowledge to ensure long-term survival (Dougherty et al., 2010; Hossain, 2015). Entrepreneurs in the United States face many challenges because of the lack of SBA funding, which is the initial funding and financing provided to entrepreneurs to carry out business activities and help in reviving new businesses (Frid et al., 2016; Kezar & Yang, 2010). Many immigrants to the United States lack the financial literacy to operate their businesses successfully in the U.S. market (Mimura et al., 2015; Zuhair et al., 2015).

Despite the rise of immigrant entrepreneurship in Houston, Texas and other areas of the United States, the survival rates of businesses established by foreigners are very low when compared to businesses established by natives of the country. One challenge relevant to the growth of immigrant entrepreneurship is linked to their financial literacy of the host countries. Dana et al. (2018) identified some factors as financial capital constraints; lack of familiarity of local markets; poor decision making regarding marketing strategies; and problems projecting business growth, slumps, and opportunities. Njaramba et al. (2018) considered these aspects the main constraints facing Nigerian immigrants wanting to sustain their businesses in Texas and other foreign countries.

Immigrant entrepreneurs who do not have adequate financial literacy face limitations trying to expand their businesses and considering appropriate lines of business. Dana et al. (2018) also identified challenges in selecting appropriate business partners and stakeholders as impeding the success of businesses set up by immigrants. Having a lack of essential financial literacy also can lead to missing lucrative mergers, acquisitions, and business association activities that could increase operations and returns. The legal status of immigrants also can challenge the seamless establishment of long-term and profitable enterprises. Immigration status and the cost of reviewing visas can determine the efforts that immigrants put into their business and entrepreneurial initiatives.

Gap in the Literature

Despite the study of multiple literature work done on entrepreneurial immigrants and the role of financial literacy on their performance, significant gaps exist in the literature. One gap identified in the review of the literature was the minimum focus on financial literacy. Research has been conducted on the role of financial literacy on entrepreneurship, but there has been less attention on immigrant entrepreneurs and their lack of knowledge of local markets and business practices, lack of social contacts, and difficulty raising funds.

There also has been little information on Nigerian immigrants' challenges as these relate to their lack of financial literacy. Nigeria is one of the least developed countries,

and its people are migrating to developed Western countries such as the United States; the goal of this study was to identify the economic challenges faced by Nigerian entrepreneurial immigrants to Houston, Texas, in the United States.

Alternatively, there have been few studies on the role of host countries in ensuring that immigrant entrepreneurs are provided with adequate educational resources to improve their financial knowledge and capabilities. Although governments are aware of the potential benefits of foreign entrepreneurs in terms of creating jobs and improving economic status, limited information exists on what governments are doing to ensure that the immigrants are provided with a suitable environment, most especially U.S. financial literacy, to conduct business and other entrepreneurial activities. This study was designed to explore the Houston, Texas governance in enabling Nigerian entrepreneurs to attain required financial literacy levels that improve their participation in the business and economic advancement of the state of Texas.

Summary and Conclusions

Having financial literacy is an essential skill that individuals and business owners need to make sound decisions regularly, enhance their business performance, and minimize financial risks (Ayuya, Cherotich, & Sibiko, 2019). Entrepreneurs who have financial literacy bring financial stability to their businesses and can make more appropriate financial decisions regarding fund management, allocations of funds, and investment decisions. Research by Boyke (2019), Fatoki (2014), and Gathungu and

Sabana (2018) has supported the contention that self-employed entrepreneurs who own SMEs also need to have the financial literacy to carry their business processes efficiently.

The significance of having financial literacy cannot be overstated. Differences in cultural norms, behaviors, and economic and political conditions have resulted in challenges for immigrant entrepreneurs (Gomez et al., 2015; Kim-Soon et al., 2017; Ndofor & Priem, 2011), but there is limited literature information on lack of financial literacy on immigrant entrepreneurs. Included in Chapter 2 was an explanation of the tenets of the rational choice theory that individuals make sensible decisions based on their objectives. Researchers have acknowledged that having financial literacy allows immigrant entrepreneurs to make appropriate decisions that can help to sustain their businesses in the host countries. Chapter 3 includes information about the methodology used in this study.

Chapter 3: Research Method

Discussed in Chapter 3 are the procedures used to identify, collect, collate, analyze, and present the data to meet the study objectives and answer the research question. Hennink, Hutter, and Bailey (2010) noted that selecting the most appropriate research method is key to a study being successful. The research method must correspond to the data required to make conclusions (Mason, 2002). The main methods considered for contemporary studies are qualitative, quantitative, mixed methods. Cronin (2014) indicated that the target population, type of data required, objectives, and allocated resources determine the research approach.

The selected research methodology followed the purpose of this inquiry, which was to develop a deeper understanding of the ways that the financial literacy of Nigerian immigrant entrepreneurs helps them identify vital aspects of the U.S. credit system. The research goal was to understand better ways that immigrant entrepreneurs can sustain business growth. Also, in this chapter are details about the research design and rationale, the role of the researcher in collecting the data, the methodology to recruit participants, data collection instruments, and data analysis. In addition, a focus on issues of trustworthiness is included.

Research Design and Rationale

This qualitative, exploratory case study was guided by one research question: What do Nigerian immigrant entrepreneurs in Houston need to do to be financially

literate and navigate the U.S. credit system successfully as they strive to sustain their business growth? A qualitative, exploratory case study design combines the strengths of primary and secondary data to ensure that comparisons and triangulation are possible toward quality and reliable findings. It is suitable to obtain a deeper understanding of the financial literacy of Nigerian immigrant entrepreneurs. In qualitative research, the generated data will be flexible and sensitive (Mason, 2002).

Cronin (2014) defined a case study as the analysis of individuals, events, institutions, or groups of people based on the collection of in-depth data and information. Case studies can employ surveys, observations, interviews, and focus groups to obtain the data (Bajpai, 2011). The qualitative exploratory case study design stemmed from the fact that the topic of Nigerian immigrant entrepreneurs and financial literacy has not been widely researched, and there has been little knowledge on the expected findings and outcomes. The qualitative exploratory case study design responded to *what* questions, which fits the efforts of this study to establish the techniques, processes, and methods that Nigerian immigrants can use to become more knowledgeable of the U.S. credit system.

The choice of a qualitative research method is informed by the need for specific data and the nature of the study. Other qualitative approaches were considered, such as grounded theory and phenomenology during the initial stages of developing the research proposal. A grounded theory design was excluded because its objective is to collect data that support or refute existing hypotheses and theories. Also ruled out was a

phenomenological study, which involves collecting information about the lived experiences of the participants; this methodology was not appropriate for this study because most of the entrepreneurs may not have had adequate experience that could have been considered valuable data to meet the outcomes of this study. In addition, a phenomenology is a detached approach that does not consider the inclusion of secondary data (Giorgi, 1997). Therefore, a qualitative exploratory case study approach was selected to explore Nigerian immigrants' understanding of the U.S. financial system rather than relying solely on past literature of personalized narration of experiences. Quantitative and mixed methods approaches were not used because of their inclination to test relations, variables, and theories through experimentation and surveys (Spillman, 2014). The need for analytical and statistical support to generate the findings, as required in quantitative approaches, did not fit the purpose of this study.

Role of the Researcher

The selection of a qualitative approach recognizes the researcher as the driver of the research process. Furthermore, the quality and completeness of data will depend on the involvement of the researcher to engage with the participants and ensure that all interview questions are answered (Mills & Birks, 2014). Interacting with the participants is considered vital to ensure the collection of extensive data that will satisfy the objectives of the project. In this study, I served as the controller of the research process, observer, and data analyst. Although the data were provided by the participants through

interview sessions, as the researcher, I oversaw the coordination of all logistics and pre interview preparation to ensure that the participants were prepared for the data collection phase.

Leadership skills, people skills, and planning skills are essential in the execution of this role as a researcher. As the observer, I was keen to note the participants' facial, emotional, and physical expressions during the interviews that may point to different attitudes and perceptions. However, my observations were meant only to reinforce the reliability of the interview data as well as assist me to ask probing questions to collect more relevant data. As the data analyst, I was involved in transcribing, sorting, coding, and organizing the interview data. Although external assistance might be outsourced in the preparation of the data for analysis, I remained the chief data analyst and determined which data to keep or discard.

Any prior professional or personal relations between myself and the participants may have positive and negative implications for the data collection processes and outcomes. To eliminate negative implications, the study target population was individuals with no attachment or relationship to myself. Therefore, creating new relationships was another role for myself, as a researcher, so that I ensured that the data collection process was impartial and was void of past relationships and attachments.

Researcher bias is another aspect that has the potential to influence study outcomes (Maxwell, 2013). Leading questions, wording, question order, and

confirmation bias can have adverse effects on the quality of data collected. Potential bias should be considered when creating the interview questions and schedules by starting with general questions and then asking more sensitive and specific ones. Additionally, confirmation bias occurs when the researcher manipulates the primary data to correspond to personal hypotheses or conclusions on the topic, including rejecting data that does not correspond to their hypothesis. Managing researcher bias includes analyzing the data impartially by considering all the data provided by the participants.

Noble and Smith (2015) pointed out that qualitative research is susceptible to ethical issues. Researchers are responsible for ensuring that the data collection process does not raise any trust, privacy, confidentiality, or conflict-of-interest issues. When recruiting participants, the researcher must ensure that the individuals are aware of the risks involved in joining the study and that the consent form provides adequate information on ethical guidelines. I used bracketing to shield the research process from any position of the researcher as the principal investigator and stakeholder in the study. Importantly, participation in the study was voluntary, and no incentives or payments were offered to the participants to join the study.

Methodology

This section outlines the major components in the research process, including the identification and selection of participants. Contained in this section is the study target population, sampling process, data collection instruments, recruitment process. In

addition, the data analysis procedures are outlined, as well as the manner in which this qualitative exploratory case study was used to meet the purpose of the study and answer the research question.

Participant Selection Logic

The qualitative, exploratory case study design requires identification of the target population and subsequent sampling to ensure a representative selection of participants. The population refers to all individuals who meet the inclusion criteria. Jackson et al. (2007) indicated that the target population could be as few as 10 individuals or large as the population of a country or a region. In most cases, the size of the target population cannot be quantified; thus, researchers can use regions, periods, and other general features to identify the sample participants. The target population for this study comprised Nigerian immigrant entrepreneurs who are business owners within the Houston metropolitan area in Texas.

Sampling was used to identify the ideal number of participants who will satisfy the data needs of the study. Sampling refers to the process of identifying and selecting participants from the target population who represent the entire population (Emmel, 2013). Researchers of most qualitative case studies lean on random and purposive sampling to recruit their participants, depending on the defined number of participants and the extent of the data required for the investigation.

Purposive sampling was used to identify 18 entrepreneurs to ensure adequate representation of the target population. A sample size of 18 was adequate to provide enough data to make comparisons and inferences. This is because a purposive sample results from nonprobability sampling, a subjective technique that relies on my judgment to pick the most ideal and resourceful participants. The rationale for purposive sampling includes selecting the most appropriate sample to lower the need to generalize findings and study outcomes. Inclusion and exclusion criteria were used widely in purposive sampling to ensure the selection of individuals who best fit the criteria to join the research.

In this study, the participants must have been immigrant entrepreneurs from Nigeria who have opened businesses in Houston, Texas. Immigrant entrepreneurs who were not Nigerian or Nigerian immigrants who were not entrepreneurs were excluded from the study. Therefore, the use of purposive sampling in this study allowed me to identify and select individuals who are interested in joining the study, can provide data, and understand the challenges facing immigrant entrepreneurs in accessing U.S. financial services. Nigerian entrepreneurs already struggling to manage their business finances also were considered for inclusion in the study sample.

Participants were recruited from Nigerian immigrants operating their businesses in Houston, Texas. The use of purposive sampling in the identification of participants, I already have relevant information regarding the essential personal and professional data

of the potential participants. E-mails containing information about the study were sent to potential participants inviting them to join the research. I required a response to ensure that the sample size of 20 participants was intact before data collection began.

Instrumentation

The study relied on primary and secondary data, with me used 80% primary and 20% secondary data to meet the objectives, answered the research question, and achieved the expected outcomes. Therefore, conducting interviews was the primary data collection method. The review of secondary sources was used to support sources of data to close gaps in primary data. The interview protocol involved audio-recording all the interviews and keeping field notes.

Interviews. Primary data were collected through semistructured interviews. Questions included predetermined and open queries. The interview protocol dictated the interactions between me and the participants. Predetermined questions were asked of all participants to ensure consistency in data collection and facilitate useful data analysis through comparisons. However, I had the freedom to ask probing questions that sought clarification or elaboration. Data provided by participants that were not within the interview protocol were considered as additional information that were used as supportive data.

I practiced bracketing throughout the interview process to ensure the understanding of the topic, the perceptions of the participants, and personal feelings do

not influence or interfere with the data collection process. Self-reflection and pretest are ideal methods that ensure that I set aside assumptions and personal perspectives on the topic. Mock interviews would be used to identify any vulnerable areas that can create an opening for interference to data collection through leaning toward some aspects on the topic.

Sixty minutes were allocated for the initial interview sessions. The interview questions were organized to collect general data (five questions) and then more specific data (10 questions). The general questions focused on demographics (viz., age, income levels, number of years in Texas, and gender). The more specific questions focused on the level of U.S. financial literacy, challenges in seeking financial services, and the effect of inaccessibility to credit facilities and inadequate understanding of the U.S. financial system on business growth. Other questions in this section asked the participants for recommendations on ways to improve the financial literacy of immigrants, the perceived role of the Texas government in improving immigrants' access to credit facilities, and current business relations between immigrant entrepreneurs and native-born business people. Although I collected the data within 60 minutes, the participants were requested to allocate another 30 minutes within the following month in case I needed clarification or more details regarding the data provided or follow queries that might arise after the initial interview sessions.

The final length of the interviews was subject to such factors like language barriers, interpretation of the questions, and the willingness of the participants to provide detailed responses. The initial face-to-face interviews allowed me to develop an essential connection with the participants that is indispensable in any follow interactions. During the interviews, I was also able to note observations on the moods, emotions, and reactions of the participants to different questions.

The genuineness of face-to-face interviews helped to ensure the reliability and validity of the findings of the research. Telephone calls and video conferencing were considered for follow-up interviews. The times and locations of the interviews were based on their convenience to the participants. Coffee shops or business premises for the participants were the preferred locations for the interviews. During the interview sessions, I audio recorded all responses and kept field notes for analysis.

Interview questions. I has the critical responsibility to create suitable interview questions that fit the research objectives. The following interview guide was used to evaluate individual responses from participants (Kvale & Brinkmann, 2015). Questions used in the guide were flexible, with an evaluation of the participants' response possible based on the criteria associated with each question (Turner, 2010). Follow-up questions were encouraged if the participant is not forthcoming with information that meets the goal. The questions provided here are an example of questions that can be used to meet

the goals associated with the problem statement (Kvale & Brinkmann, 2015). The interview questions are as listed in Appendix A.

Audio recordings. Creating audio recordings of the interviews is vital in analyzing the data. The participants were made aware that the interview sessions will be recorded when they sign the informed consent form. Specialized equipment can be used to record interviews, but simple gadgets such as a phone and a digital recorder also can be appropriate. I used specialized audio recorders with adequate storage capacity, and noise cancellation features to ensure clear capture of all details. All recordings were reviewed and transcribed after all 18 interviews had been completed.

Field notes. Collecting field notes is essential in a qualitative exploratory case study in facilitating the capture of data expressed through nonverbal cues. I compiled field notes that were significant in supporting the interview data. In most cases, the notes were used to close gaps in the instances in which the participants may not fully complete their response or cannot recall an appropriate concept to describe their answers, thus allowing me to provide the appropriate description subject to confirmation. The field notes were used to support the interview responses. They were not considered the detached source of data for the study.

Secondary sources. The review of secondary sources depended on the responses to the interview questions. Journals and websites that detailed the plight of immigrant entrepreneurs in trying to fit into the U.S. credit system were resourceful in validating

and supporting their responses. Texas public information on immigrants was reviewed through the state's website and other available authentic publications available online.

Field test. Patton (2015) noted that the interview protocol is used to develop interview questions that will elicit responses from the participants to address the research question. Testing the interview protocol helped to verify that the instrument generated the required data. I sought for reviews, assessments, and recommendations from experts in research methodology, immigrant entrepreneurship, and financial service accessibility in the United States to ensure that the interview questions were written in a way that meet the expectations of this study. Any interview protocol revisions based on the recommendations of the experts was used to conduct mock interviews with classmates to ensure that words or phrases that elicit bias or provocation were removed.

Procedures for Recruitment, Participation, and Data Collection

The study relied on semistructured interviews to answer the research question. The data collected through the interviews were verified through such secondary sources as reports and government information on the financial challenges facing immigrant entrepreneurs. The interview protocol was used to collect data. As discussed previously, I used specialized audio-recording devices to ensure that all responses to the interview questions were captured. However, other devices such as phones and other secondary recording devices were allowed in interview sessions in case the specialized devices malfunctioned. Audio recording the interview sessions reduced the burden of taking

extensive notes and enabled me to focus on asking questions, seeking clarifications, and noting the nonverbal expressions of the participants.

Participants were recruited and then selected to join the study. Recruitment included seeking consent from the potential participants through physical meetings or electronic communication. E-mail was the primary method of communication in addition to sharing the research brief in the WhatsApp, LinkedIn, Facebook, and other potential social media networks. The additional modalities of publication were ideal before the selection of the 18 participants. Communication and contacting the 18 participants were done primarily through e-mails with all records preserved as evidence of the recruitment process.

Informed consents and information sheets were used to recruit the participants. The selected participants were required to sign the informed consent to indicate their voluntary participation in the study and to give me the right to use their responses to the interview questions. The information sheets contained details about the current study, including background, objectives, research question, and nature of the inquiry to help the participants to make informed decisions. The participants were informed of the importance and significance of the study, including potential benefits that the entrepreneurs may obtain from the conclusions and recommendations. The sample size was 18 participants or until data saturation occurs.

The scheduling for interviews occurred in one month to enable the participants to pick their appropriate dates while enabling me to manage the schedule and avoid conflicts. Google calendars and e-mail notifications were used to confirm availabilities and schedule the interviews. I tried to complete more than one interview per day to shorten the data collection period.

All interviews were audio-recorded, and field notes were taken to support the recordings. Following the completion of the interview sessions, the participants had time to ask questions or seek clarification from me. The participants also had the opportunity to share additional information related to the study. I confirmed that the results of the study will be shared with the participants once the study has been approved by the university.

Data Analysis Plan

The data collected from the interviews and supporting secondary sources were analyzed and processed. Analysis of the 18 transcribed audio-recordings and the field notes was used to find patterns between the primary and secondary data. All transcriptions consisted of the participant codes and responses to the 17 interview questions. Field notes were used to fill any gaps identified while reviewing the recordings. Any significant missing data required re-approaching the participants for clarifications and additions.

Coding was done for the participants and the collected interview data. Numeric coding (Participant 1, Participant 2, etc.) was used for the participants, and color-coding was used to identify the different types of information. Inductive and deductive approaches were used to identify the relevancy of transcribed data variance from the interviews. Red labels were used to identify new data; green labels were used to denote information identified in the review of the literature. New data were analyzed to identify themes and subthemes that answer my question. Seidman (2013) recommended the following steps in performing data analysis to facilitate adequate response to the RQ:

1. Organizing the data: This stage includes identifying, collating, and sorting the interview data according to their frequency. Tables was used to group similar data, aided by the inductive and deductive coding completed during the interview transcription process.
2. Creating themes: In this step, I developed themes from the data that answer the research question and purpose of the study. The creation of themes was used to measure the extent that the collected data meets the expectations of the study.
3. Validating the data: During the analysis, I expected to encounter information that does not meet the quality and credibility levels; thus, it important to check with experts and seek clarifications. Participants was the first point of contact to validate any data that do not meet the credibility levels. Secondary sources were used to verify divergence in facts provided during interviews.

4. Presenting the findings: Charts, graphs, and tables was used to report the findings from the data analysis. QSR NVivo computer software program was used to analyze, report, and present the data, and it was adequate to create visualizations that help me to interpret the findings.

Tracy (2012) noted that the effectiveness of data analysis determines the achievement of the study expectations. I would have collected more data by conducting follow-up interviews if the initial data did not yield the expected results. Discrepancies in data collection will be managed by collecting additional data and cross-referencing with supporting documents.

Issues of Trustworthiness

According to Fischer et al. (2014), trustworthiness in qualitative cases studies refer to the validity and reliability of the findings. The absence of hypothesis testing and the use of metrics and instruments to measure validity and reliability mean that the trustworthiness of qualitative data is measured by examining the findings for transferability, credibility, dependability, and confirmability (McCusker & Gunaydin, 2015). The description of these aspects of the findings addresses both internal and external validity of the data and study outcomes.

Credibility

This measure of trustworthiness of the study focused on the internal validity of the findings. Credibility relies on my confidence in the accuracy and truthfulness of the

findings. Triangulation, lengthy interviews, and peer reviews are some strategies that were used to ensure the credibility of the findings. Triangulation includes the use of other sources of data, such as field notes and a review of secondary sources. Contacting participants for information and clarification is also another significant method to attain credibility while experts, supervisors, and colleges will be allowed to review the study findings to identify any apparent anomalies.

Transferability

Transferability refers to the findings being used in similar situations and with similar target populations (Yin, 2013). Detailed descriptions of the findings were used to show how the results could apply to other populations seeking access to and navigation of the U.S. credit system. This description included noting social and cultural patterns among the participants and then correlating any similarities with other populations experiencing changes in financial literacy in the United States. Transferability is used to measure the external validity of the outcomes.

Dependability

Maruster (2013) defined dependability as the extent that the findings are consistent when studies are replicated by other researchers. An audit trail was used in this study to ensure that data collection and analysis processes met the required standard to ensure that the findings are consistent and can be replicated.

Confirmability

Roulston and Shelton (2015) considered confirmability as the level of neutrality in completion of qualitative research, such that the findings are solely based on the responses from participants and other methods of data collection. The potential risk of achieving confirmability is the inclusion of my beliefs, perceptions, and motivations in the results. A step-by-step audit trail in data processing and analysis was used to ensure that all decision made in discarding and including responses in the analysis are justified and are not based on my understanding of the topic.

Ethical Procedures

Ethics considerations are the guidelines ensuring that researchers do not violate the fundamental rights of the participants. Common ethical issues in qualitative research include confidentiality, informed consent, privacy, the publication of the results, and early withdrawal from research without repercussions. I conducted this study with a sample of volunteer participants, so I required permission from Walden University's Institutional Review Board (IRB) with approval No 01-29-20-0489269 to conduct the research. The application included the proposed guidelines and approaches to handle issues such as recruiting, managing confidentiality, refusal to accept the invitation to join the study, and premature withdrawal from the study.

The participant information sheet contained detailed information about the recruitment and management of participants during the research process. Details included

the process of selecting participants, the roles of the participants, and the risks and benefits of being in the study. The responsibilities of the researcher, including maintenance of the confidentiality and anonymity of the participants and the data, also were included. Participants were required to sign informed consent. The participants were contacted at least 2 days before the scheduled interviews to reconfirm their availability and answer or clarify any questions that they might have about the study.

The interview data and field notes were handled and stored only by me in a secured safe. The interview transcriptions are stored in files on my personal password-protected computer. To enhance the security of the data, participants are identified with numeric codes, as mentioned. Participants wishing to verify the accuracy of their transcriptions were provided with such copies through e-mail.

Summary

Included in Chapter 3 was information about the research approach and design for this study. A qualitative exploratory case study was deemed ideal for collecting data on the financial literacy of Nigerian immigrant entrepreneurs, challenges in navigating the U.S. credit system, and solutions to support the growth and sustainability of their businesses. The rationale for using a qualitative exploratory case study and purposive sampling was explained. Semistructured interviews were identified as the primary method of data collection with an extensive description of the data analysis. Also

discussed were the role of the researcher, trustworthiness issues, and ethical considerations. The data were analyzed, interpreted, and are presented in Chapter 4.

Chapter 4: Results

The purpose of this qualitative exploratory case study was to develop a substantial level of understanding on how the financial literacy levels of Nigerian immigrant entrepreneurs is likely to enable them effectively navigate the complex U.S. credit system and maintain their business survival in Houston, Texas. The conceptual framework was rational choice theory. In this chapter, I present the outcome of the face-to-face interviews conducted in the offices of 18 Nigerian immigrant entrepreneurs who operate in Houston, Texas. The interview questions were in semistructured format and lasted 3 weeks.

Each session lasted between 30 and 45 minutes. The interview consisted of 17 questions: the first five questions requested the participants' demographic information, while the remaining 12 questions requested the interviewees' lived experiences in relation to their financial literacy. Therefore, I analyzed the collected data using hand coding and supplemented the outcome with results based on Nvivo qualitative data analysis software. The interview and data analysis were mainly guided by the need to achieve the primary research question for the study.

In this chapter, I explain the study interview setting and the specific demographic composition of the respondents (gender, age, annual business income, and the initial business funding source). Also, I present the outcome based on thematic analysis of the key financial literacy themes that emerged from the face-to-face interview with the 18

Nigerian immigrant entrepreneurs. This chapter also contains the insight based on thematic analysis from the systematic literature review. Finally, the chapter also contains my own assessment on validity and reliability of the interviews and the systematic review design based on credibility, transferability, dependability, and confirmability of the results.

The research sample was initially stated to be 20 Nigeria immigrant entrepreneurs; however, after systematic analysis of the first 18 transcribed interviews, I observed a repeated pattern of same themes and there were no new thematic aspects relating to financial literacy. I therefore concluded data saturation was achieved at Participant 18. I conducted all interviews in the respective offices of the interviewees and took approximately 30 to 45 minutes.

Research Setting

The interviews were conducted after office working hours to allow for optimal concentration from the interviewees. Houston was selected as the main research setting because the metropolitan area consists of a high number of Nigerian immigrants who have been in the area for more than 10 years. Because of the focus on Nigeria immigrant entrepreneurs in Houston, Texas, a purposive sampling approach was utilized. In addition to this, I considered participants who operate diversified business segments in retail, service, manufacturing, logistics, and medical professions.

Demographics

Gender: Table 2 and Figure 1 indicate that the majority of the interview participants were male ($n = 14$; 78%) entrepreneurs, while only four of the 18 respondents were female (22%). The stated gender bias toward male Nigerian immigrant entrepreneurs might affect the research outcome due to the different perceptions on financial literacy held by male and female entrepreneurs.

Table 2

Demographics

| Gender | Frequency | Percent |
|------------------------|-----------|---------|
| Male | 14 | 78% |
| Female | 4 | 22% |
| Age | Frequency | Percent |
| 35-40 | 3 | 17% |
| 41-45 | 4 | 22% |
| 46-50 | 3 | 17% |
| 51-54 | 1 | 6% |
| 55-100 | 7 | 39% |
| Annual business income | Frequency | Percent |
| \$50,000-\$100,000 | 8 | 44% |
| > \$100,000 | 10 | 56% |

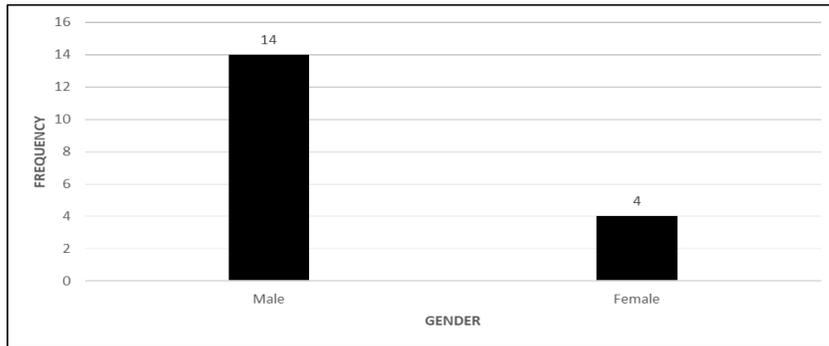


Figure 1. Sample composition of interviewees based on gender.

Age: The most dominant age group among the 18 participants is 55-100 years (see Table 2 and Figure 2). The age composition was expected as most Nigerian immigrant entrepreneurs who have set up businesses in the United States are older individuals who were either previously working as professionals in the country or in their native country, Nigeria. This group of older participants was expected to enhance the credibility of the results because of their considerable business experience.

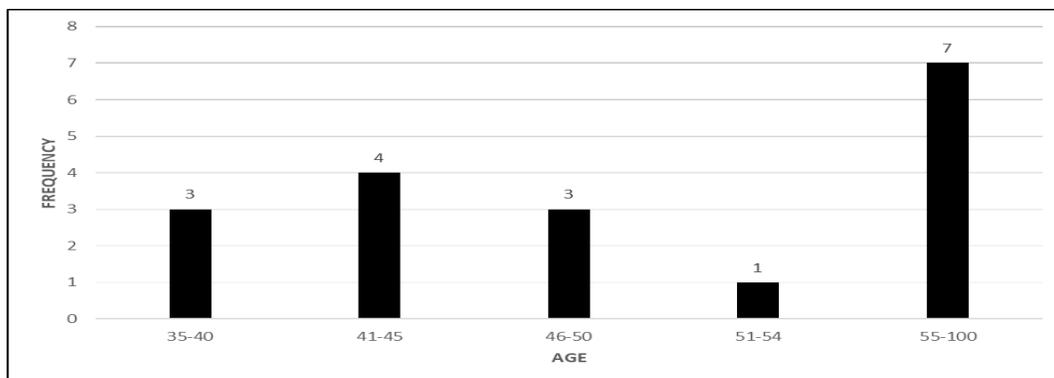


Figure 2. Sample composition of interviewees based on age.

Annual business income: As shown in Table 1 and Figure 3, 10 of the interview participants reported that their annual business income is above \$100,000, while the remaining eight respondents reported annual business income between \$50,000-\$100,000. This result indicates most Nigerian immigrant entrepreneurs have well-established and performing businesses in Houston, Texas.

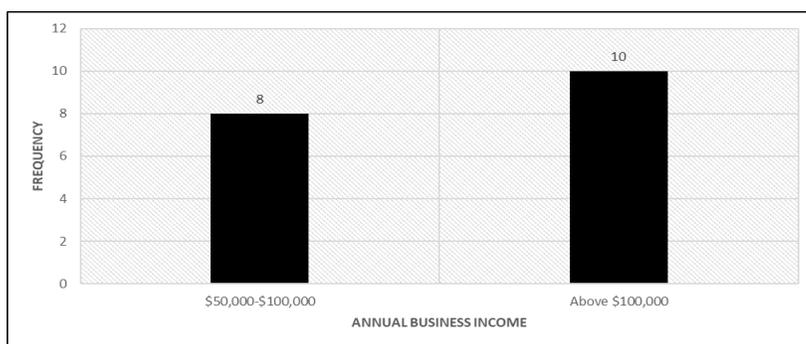


Figure 3. Sample composition of interviewees based on annual business income.

Initial source of funding: Table 3 and Figure 4 reveal that personal savings (39%) and bank loans (33%) were the major sources of initial business funding for the Nigerian immigrant entrepreneurs. This result indicates that during the initial startup period, the majority of the Nigerian immigrant entrepreneurs relied on their accumulated personal savings as a source of business funding. This result is consistent with Akanno et al.'s (2017) findings that most entrepreneurs in developing countries and immigrant entrepreneurs in developed countries face a considerable challenge in obtaining secured bank financing during the initial period. However, due to the popularity of SME microfinance institutions and formulation of appropriate legislation, a greater number of contemporary entrepreneurs are able to access bank financing using short-term and

medium-term loans. Family contributions (17%) were also seen as source of business funding among the Nigerian immigrant entrepreneurs.

Table 3

Initial Source of Business Funding

| Funding Source | Frequency | Percentage |
|----------------------|-----------|------------|
| Parent Company | 1 | 6% |
| Bank Loan | 6 | 33% |
| Personal Savings | 7 | 39% |
| Family Contributions | 3 | 17% |

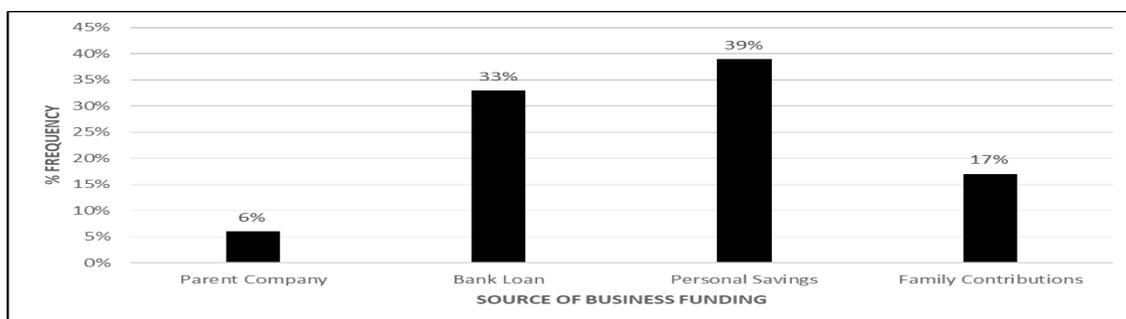


Figure 4. Initial source of business funding.

Data Collection

The interviews continued over a span of 3 weeks. The data collection was based on a semistructured interview approach consisting of both structured and unstructured interview questions, depending on the interview progression. In order to validate the reliability of data collected from these interview sessions, I conducted a systematic review of the relevant literature on financial literacy among the Nigerian immigrants.

I used my mobile phone and other digital recorders to conduct a transcribed interview recording. Other information such as the participant information sheet and consent forms were also electronically stored in my personal computer. Finally, in order to safeguard the interview data from the risk of permanent loss or deletion, I also transferred all relevant data, including the verbatim transcriptions to an external drive.

Data Analysis

The semistructured interview consisted of 17 questions. The first five questions pertained to the participants' demographic attributes, while the remaining 12 questions allowed me to assess the financial literacy level of the interviewees. After transcribing the interviews verbatim, the next step was data analysis with a specific focus on achieving the main purpose of the study.

Thematic analysis of the transcribed interviews was first undertaken using hand coding of the major themes and subthemes based on the participants' responses. Using thematic analysis, I recorded the major themes and/or broad research subject matter related to financial literacy among the Nigerian immigrants in a tabular and graphical format. I supported the outcome based on hand coding with the results from thematic coding analysis using Nvivo 12 software. I used Nvivo to code the data to validate the results of thematic analysis.

Thematic Analysis: Interviews

The perceptions of the 18 interview participants are summarized in the form of 7 major themes. The summarized themes are presented in terms of the frequency and percentage of appearance based on the transcribed interviews (see Table 4 and Figure 5). The seven major themes identified the various aspects that need to be considered by Nigeria immigrant entrepreneurs to enhance their overall level of financial literacy on the U.S. credit system. The identified themes reflect common insight from analysis of the transcribed verbatim interviews using hand coding. Following is a brief description of each of the seven themes.

Table 4

Identified Themes on Financial Literacy Based on Interviews

| Themes | Number of references | Percent |
|--------------------------|----------------------|---------|
| Credit Rating | 18 | 100% |
| Credit Information | 16 | 89% |
| Collateral | 13 | 72% |
| Credit Unions | 10 | 56% |
| Networking | 9 | 50% |
| State Government Support | 9 | 50% |
| Business Financial Plan | 6 | 33% |

Note. Themes were summarized based on data analysis of the participants' interviews.

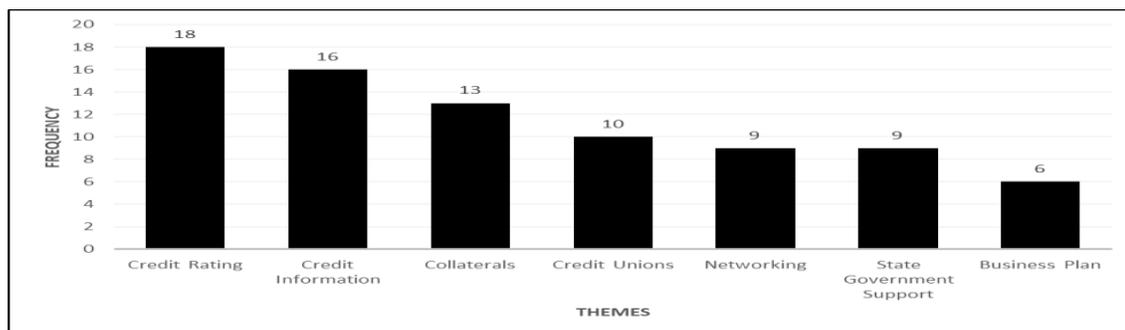


Figure 5. Identified themes on financial literacy based on interviews.

Credit rating. The first theme relates to the overall credit score of the participants, Nigerian immigrant entrepreneurs, which was established based on their credit history, bank transactions, and viability of their respective business entities.

Credit information. The second theme relates to the participants' information about and awareness of availability of various credit facilities, qualification requirements, repayment terms, and interest obligations.

Collateral. Theme 3 relates to the participants' possession of valuable business and/or personal assets that qualified them for secured financing.

Credit unions. Theme 4 refers to the formation of savings and credit institutions to support a specific minority group of customers who might find it difficult to qualify for business financing in the mainstream financial institutions.

Networking. Theme 5 concerns the participants' ability to form sustainable business relationships and connections with individuals and established business entities that are well-versed in operations of the U.S. credit system.

State government support. Theme 6 refers to the favorable credit financing policies and legislative enactments formulated by the Texas state government to facilitate provision of credit facilities to minority and immigrant entrepreneurs.

Business financial plan. Theme 7 refers to the participants' projected statement of income, cash flows, expenses, and other outflows that provide an indication on the future viability of a given business establishment.

Theme 1: Credit Rating

The most common theme that emerged from analysis of the interview transcripts was on credit rating, which measures the credit scores of the entrepreneurs depending on their credit history, business performance and the frequency of bank transactions. Based on the data analysis, 18 (100%) of the interview participants pointed out that the main challenge of the Nigerian immigrant entrepreneurs is the cultural variations and differences in the financial credit system that applies in Nigeria and the United States. For instance, while Nigeria relies on a cash-based financial system, the United States is predominantly a credit-based economy. A credit based financial system maintains centralized information on the credit history and credit worthiness of individuals depending on their credit card transactions (Garg & Singh, 2018).

The challenge of the credit rating is that most Nigerian immigrant entrepreneurs are not familiar with the U.S. credit-based financial system because of their experience with the cash-based financial system common in Nigeria and other developing countries. Therefore, the majority of Nigerian immigrant entrepreneurs are unlikely to qualify for bank financing based on their limited credit history. The results of the transcribed interviews also revealed that all the 18 (100%) participants were aware of the importance of having a good credit history.

For example, although Participant 1 did not rely on bank financing to expand his business entity, he acknowledged the importance of a good credit rating: “To my knowledge, I believe that the banks want you to have a credit line or use their credit facilities”. Similarly, Participant 4 revealed a better credit rating is likely to increase the likelihood of obtaining credit facilities on good terms. Participant 4 noted, “To gain access to some of these things, you must have an okay credit such that the better your credit line, the more financing options you are likely to have”.

Participant 6 stressed the ability of entrepreneurs to access relevant credit facilities in order to strengthen one’s credit score. A strong business performance and asset portfolio promotes access to credit among entrepreneurs. The implication, based on the assertions by Participant 6, is that a solid business portfolio and good credit rating will help Nigerian immigrant entrepreneurs who need to obtain bank financing.

Participant 6 stated, “The most important thing is to build a solid business portfolio, which includes, among other aspects, an excellent credit report”.

Participant 9 indicated the importance of having a good credit report. Participant 9 claimed that the U.S. credit system is highly efficient in facilitating access to credit facilities among immigrant entrepreneurs in the country, “I believe that the U.S. credit system provides entrepreneurs with an outlet to access financing from banks and other financial institutions”.

Participant 13 appeared to be very cautious about Nigerian immigrants who did not have a good credit rating. Participant 9 stressed the difficulty of individuals gaining access to credit facilities to support their business expansion, “This country is built on a strong credit system such that it’s going to be very difficult for entrepreneurs to thrive without a good credit report”.

Theme 2: Credit Information

Sixteen (89%) of the Nigerian immigrant entrepreneurs interviewed revealed they lack adequate information on the availability of credit facilities in the United States. This could explain why 89% of the respondents face challenges in accessing relevant information pertaining to the existing SME loans and other credit facilities targeted for the minority groups and small-scale entrepreneurs such as the SBA loans. Eresia-Eke and Raath (2013) observed that a lack of credit information is a key challenge for business entrepreneurs who operate in

developing countries. The limited information on available credit facilities partly explains why most of the respondents relied on personal savings as the main source of business funding.

Participant 4 acknowledged the challenge of limited credit information by stating that most information that is available online specifically from the state government's website is employment-based rather than information about obtaining credit for small businesses. This lack of relevant credit information is a major challenge for the Nigerian migrant entrepreneurs in the United States: "In a certain sense," noted Participant 4, "it's not like the information is not there, but rather information which is available pertains to getting employment and not information on business funding."

Most of the Nigerian immigrant entrepreneurs appeared unaware of the kind of information available. Sixteen (89%) of the participants acknowledged that it is difficult for them to differentiate relevant from irrelevant credit information. For example, Participant 4 stated, "They are not seeking information because they don't even know what to seek or ask."

Participant 12 acknowledged the business starters could register with various agencies to access important information regarding the availability of credit facilities: "I came to find out that information related to available credit facilities is very key. That is why I signed up with various nongovernmental agencies and governmental agencies that help minority groups."

Finally, Participant 15 presented evidence that a lack of awareness and limited information on available credit facilities is a major aspect that restricts the financial literacy levels of the Nigerian immigrant entrepreneurs. The results indicated 89% of the participants agreed that they rely on informal sources of credit information. For instance, Participant 1 revealed, “I don’t have enough understanding or awareness on what to do or where to go to obtain relevant credit information. In most cases, I rely on hearsay information.”

Theme 3: Collateral

Thirteen (72%) of the participants identified possession of collateral as an important aspect that influences the financial literacy levels of Nigerian immigrant entrepreneurs. The term *collateral* refers to valuable fixed assets such as business establishments that can be used as security for credit advanced by banks and other financial institutions (Bhushan & Medury, 2013). The interview participants acknowledged that most Nigerian immigrants do not have sufficient collateral to support their ability to obtain relevant business financing. The results indicated 72% of the Nigerian immigrants are not aware that collateral affects the individuals’ ability to obtain relevant bank financing. Limited financial literacy information on the importance of collateral was noted by Participant 2, Participant 4 and Participant 11. Participant 2 stated that together with his partner, they were able to secure bank financing after offering their house as collateral for the

secured loan: “We applied for a loan, which was released after we had placed our house as collateral for the loan.”

Collateral enhance the chances of entrepreneurs obtaining credit on favorable terms. Participant 4 alluded to the fact that it is important for individual entrepreneurs to have adequate fixed assets and other valuable assets or business portfolios that can be used as collateral in securing bank financing. “In most cases, when people borrow funds in this country, they rely on their houses and cars as collateral to obtain secured bank funding.”

Participant 11 emphasized the importance of having information on collateral to secure bank financing. Participant 11 described the difficult experience he had in accessing credit facilities without collateral. Participant 11 described his overall experience:

It is possible to obtain 100% bank financing when the bank has custody of your property, houses and cars, which are used as collateral to secure bank loans. At the time when I came in, there was nothing like collateral that I had, only cash.

Theme 4: Credit Unions

Credit unions enable SME entrepreneurs and immigrants to obtain access to relevant bank financing that is otherwise difficult to obtain from mainstream financial institutions (Austin & Arnott-Hill, 2014). The participants’ financial literacy of credit

unions was acknowledged by 10 (56%) of the respondents. The respondents noted that Nigerian immigrant entrepreneurs in Houston do not have a properly functioning credit union like other minority groups including Latinos, Chinese, and immigrant Indians, that would enable them secure affordable credit facilities. Credit facilities associated with savings and credit unions typically have better terms suited to the SME enterprises because of their generally low interest rates, longer repayment periods, and/or limited requirements on collateral.

For instance, Participant 3 acknowledged that most Chinese immigrant entrepreneurs have been successful in the United States because of their strong credit unions, which enables them, as minority groups, to secure affordable funding. While describing the experience, Participant 3 said,

The Chinese have strong [credit] unions, which have enabled them to be successful because they understand that Americans would not give them loans easily or on favorable terms. Show me one African [credit] union here in the United States that assists its own citizens to obtain required funding.

Furthermore, Participant 5 acknowledged the importance of credit unions and other SME microfinance institutions in assisting immigrant entrepreneurs to access funding. All respondents who discussed credit unions observed that it is much easier to secure credit financing from the small banks rather than the large

banks. For example, Participant 5 noted, “I have heard it’s easier to obtain bank funding from smaller community-based banks as opposed to the larger banks such as the Bank of America.”

The collective initiative has considerable relevance in fostering the bargaining power of immigrant SME business owners that operate in advanced nations. For example, Participant 6 opined that credit unions can enhance the public image and reputation of minority community groups due to their collective initiatives:

The banks will want to meet your members if for instance the president comes to give a lecture on financial literacy and access to [a] credit facility. This is because, they now see you together and are able to command a huge following.

The 10 respondents acknowledged the importance of credit unions in the overall business sustainability of the entities owned by minority entrepreneurs. Participant 14 described how a number of the local credit unions have less stringent requirements because in most credit facilities, there is no provision on collateral: “I might prefer going to a credit union because, unlike the mainstream banks, most of them do not have collateral provisions.”

Theme 5: Networking

About 50% of the respondents acknowledged how networking helped them to improve their financial literacy. *Networking* refers to the ability to form sustainable

business relationships and connections with individuals who are work in or with the U.S. credit system (Kaiser & Menkhoff, 2017). The participants who discussed networking acknowledged it enables minority entrepreneurs to obtain sufficient information on availability of various credit facilities in the country. For instance, an individual with a strong network of established business entrepreneurs and other business entities is likely to have an advantage in obtaining relevant credit information such as loan terms, interest rates, and repayment terms. Networking allows minority business entrepreneurs to secure bank financing on highly favorable terms compared to individuals without a networking advantage. The importance of networking in financial literacy information was emphasized by Participants 3, 5, and 16.

Participant 3 indicated that the majority of the Nigerian immigrant entrepreneurs do not have strong networking, a situation that negatively affects the success of their credit applications. Participant 3 revealed immigrant entrepreneurs could fail to access credit despite having an exceptional credit history:

I could tell you that whatever loan application criteria that is used to conduct credit assessment is not fair because ultimately, it comes down to networking. They are likely to deny you credit facilities despite the fact

that you are capable of paying the loan commitments due to poor network[ing].

Participant 5 opined that networking plays a critical role in enhancing the financial literacy level of minority entrepreneurs. When asked to suggest the most appropriate strategy that can improve the financial literacy levels of Nigerian immigrant entrepreneurs, Participant 5 discussed networking. Participant 5 recommended Nigerian immigrant entrepreneurs should “read more, network with individuals of similar minds, brains and those entrepreneurs that operate in the same industry as you.” The poor networking skills of the Nigerian immigrant entrepreneurs was mentioned by Participant 16 to be as a result of inability to leverage the available networks with other entrepreneurs and credit companies, “In most cases for Nigerian immigrants, a lot of them do not reach out or leverage on the existing networks.”

Theme 6: State Government Support

Knowledge of available financial credit facilities and relevant legislative enactments proposed by the Texas state government was also considered as an important financial literacy aspect that is likely to enhance sustainability of business entities operated by Nigerian immigrant entrepreneurs. Nine participants (50%) acknowledged that effective state government support has a considerable positive influence in enhancing the financial literacy and business sustainability of SMEs owned by Nigerian immigrant entrepreneurs. Based on analysis of the respondents, only a limited number of the

Nigerian immigrant entrepreneurs are aware of the SBA loans, which is a credit facility targeted for the SMEs and other minority group of entrepreneurs who have businesses in Houston, Texas.

Participant 4 was less convinced of the state government's role in promoting financial literacy and overall growth of the minority groups' business establishments. According to him, the Texas state government has not created strong positive environment to support SME entrepreneurs. Participant 4 stated, "I think the Texas state government needs to create an excellent environment for the banks and other community groups to offer loans to minority groups and other small business entities".

Other respondents acknowledged the organized structure of the Texas state government in promoting the growth of small business entities owned by minority groups. For example, Participant 12 opined that it takes less time to open a business in Texas compared to Nigeria: "To open a business in Texas, you just need 24 hours, but back at home, you need 9 months. The platform here is very encouraging for small businesses."

Participant 14 was unaware on the role of the Texas state government in promoting access to credit for small business owners and business entities owned by minorities. For instance, when asked to comment on the role of the Texas state government in creating a favorable environment for SME growth, Participant 14

acknowledged his lack of awareness: “I sincerely don’t have any idea on the perceived role of the Texas state government in enhancing access to credit facility among the immigrant entrepreneurs.”

Participant 16 noted that the Texas state government has sufficient resources to assist SME entrepreneurs to gain relevant information on how to access credit and start a business. The state government resources facilitate access to relevant credit information among Nigerian immigrant entrepreneurs.

In the state of Texas, if you wish to start a business or register a business, you can visit the secretary of state’s website where there is a link to sign up for online classes. The state does not give loans but can provide resources related to where you can find lenders and the recommended list of lenders.

Theme 7: Business Financial Plan

A business financial plan refers to a projected statement of income, cash flows, expenses, and other outflows that provide an indication on the future viability of a proposed business entity (Saptono, 2018). Having an excellent business financial plan that details good projected cash inflows, cash outflows, and financial performance is a substantial factor that enhances the ability to access credit from lenders. Based on the analysis of the participants’ responses, 33% acknowledged that having a good business financial plan influences access to credit among Nigerian immigrant entrepreneurs.

The responses indicate that financial institutions in the United States require prospective clients to present a good business financial plan coupled with an excellent credit history in order to secure bank funding. The low percentage of those who acknowledged the need for a business financial plan is an indication that the majority of the Nigerian immigrant entrepreneurs possesses less awareness of the importance of a business financial plan document for accessing credit. Participant 6 described how a good business financial plan enables immigrant entrepreneurs to secure government grants and credit facilities from banks. He stated, “Like I said, you must have a [*sic*] good bookkeeping that depicts the cash inflows, cash outflows, income and expenses. The most important thing that you must ask yourself is, do you have a good business financial plan?”

Furthermore, when asked to explain the factors that promote access to funds among small business owners and business entities owned by minority groups, Participant 10 seemed to acknowledge the significance of having a good business financial plan, noting, “Personal credit is important”, and “Get your books also to be in excellent shape.”

Finally, according to Participant 16, the majority of U.S. banks are not willing to grant credit to small business entities owned by immigrants if they do not have a good business financial plan. For instance, when Nigerian immigrant entrepreneurs approach banks to secure credit facility, Participant 16 stated that

most of the lenders would normally respond as follows: “We can only give you \$2,000 because your line of business does not give us a considerable level of confidence that you are going to return the money back.”

Validity of the Results

In order to enhance reliability and acceptance of the study results, the research design and data collection instruments must be assessed for validity (Dahmen & Eileen, 2014). This section of the chapter contains a description of the credibility, transferability, dependability, and confirmability of the interviews and systematic review results. The trustworthiness of the results was achieved by the integration of the analysis from interviews and a systematic review of the relevant literature.

Credibility

The credibility of the findings was enhanced by the integration of both interviews and a systematic review of relevant journal articles that focused on financial literacy levels among the immigrant entrepreneurs. In addition, the credibility of the results was also maintained by confirming the findings based on hand coding with the data analysis results using Nvivo 12 statistical software. Furthermore, field-testing of the 17 interview questions also enhanced the credibility of the interview findings. Finally, credibility of the systematic review was also strengthened by the selection of journal articles from credible databases.

Transferability

The overall representativeness of the results is enhanced by the inclusion of participants who own business establishments in different sectors of the economy in Houston, Texas. For instance, Nigerian immigrant entrepreneurs from the health sector, manufacturing, retail and service industries were selected for the interview. The inclusion of a diversified sample of Nigerian immigrant entrepreneurs, from various economic sectors implies that the study findings can be transferred and applied to other sectors of minority and immigrant populations who own and operate small businesses and who have similar levels of financial illiteracy.

Dependability

The dependability aspect of the research findings' validity was enhanced by undertaking field testing of the interview questions in order to ensure that the formulated questions captured data related to the specific research questions and purpose statement of the study. The reliability and dependability based on the results of thematic analysis of the interviews was also enhanced by allowing the participants an opportunity to confirm their responses. The dependability of the results and data collection instruments was also maintained with triangulation, interviews, and systematic reviews, as well as confirmation of hand coding outcomes using Nvivo 12 statistical software.

Confirmability

The confirmability of results was enhanced by validation of the accuracy of the data analysis using hand coding and statistical software analysis. I minimized potential bias and errors by ensuring that key themes were identified accurately captured the insight and perceptions of the participants during the interviews. Finally, confirmability was also secured through the integration of results from both interviews and systematic review of the research literature.

Study Results

The purpose of this qualitative exploratory case study was to develop a substantial level of understanding on how the financial literacy levels of Nigerian immigrant entrepreneurs is likely to enable them effectively navigate the complex U.S. credit system and maintain their business survival in Houston, Texas. The participants were asked to answer the current study main research question of what do Nigerian immigrant entrepreneurs in Houston need to do to be financially literate and navigate the U.S. credit system successfully as they strive to sustain their business growth. The problem that the study aimed at addressing is the financial illiteracy among Nigerian immigrant entrepreneurs living in the United States. Seven themes emerged in the data as a result of the coding of the participants' responses.

Thematic Analysis of the Systematic Review

Using the systematic review design, I analyzed 10 empirical literature articles that focused on the financial literacy levels of Nigerian immigrant entrepreneurs and other minority group entrepreneurs in developing countries. Table 5 presents a summary of the identified themes on financial literacy based on the systematic review of the 10 journal articles.

Table 5

Identified Themes on Financial Literacy Based on Systematic Review

| Themes | Number of references | Percentage |
|-----------------------|----------------------|------------|
| Credit score | 10 | 100% |
| Educational awareness | 9 | 90% |
| SME unions | 8 | 80% |
| Government support | 7 | 70% |

Credit score. All 10 articles (100%) reviewed cited credit rating and credit score as important aspects that minority entrepreneurs need to consider in order to enhance their overall level of financial literacy. For instance, Garg and Singh (2018) contended that most immigrant entrepreneurs from developing countries do not adopt appropriate measures to promote their credit rating and/or credit score, which is important in securing credit. In line with the interview findings, the majority of immigrant entrepreneurs still rely on cash-based transactions rather than credit-based transactions, which provide a good reflection on the business owner's credit rating (Huston, 2012). Therefore, in order to

promote the financial literacy levels among the Nigerian immigrant entrepreneurs, Saptono (2018) suggested educating minority entrepreneurs on the importance of having an excellent credit rating. In essence, increasing the extent of bank transactions and credit-based transactions is likely to be an excellent approach that promotes the credit rating for the majority of the Nigerian immigrant entrepreneurs (Gibson et al., 2014).

Educational awareness. Nine of the reviewed articles (90%) cited educational awareness as an important factor that immigrant entrepreneurs and other minority entrepreneurs should consider to promote their financial literacy levels. Specifically, due to immigrant and minority entrepreneurs' perceived low financial literacy levels, Gibson et al. (2014) suggested that the state and federal governments should initiate relevant educational awareness programs in order to strengthen their financial literacy knowledge. The educational awareness should focus on instilling knowledge on the importance of a good credit rating, appropriate bookkeeping, and developing a good business financial plan to secure credit (Bhushan & Medury, 2013). Furthermore, Bruhn and Zia (2013) also suggested that there is need for the state government, in conjunction with the department of commerce, to raise awareness among immigrant entrepreneurs on the available sources of credit. For instance, the participants revealed that some of the Nigerian immigrant entrepreneurs lack awareness on availability of credit from the SBA.

SME unions. A systematic review of the literature revealed eight journal articles referred to the contribution of SME unions in promoting sustainability of SMEs owned by immigrant entrepreneurs. According to Gibson et al. (2014), the formation of SME unions enables minority and immigrant entrepreneurs to access credit more easily and on favorable terms compared to the terms for loans from mainstream financial institutions. Kaiser and Menkhoff (2017) explained that the savings and credit unions that cater to the interests of minority immigrant entrepreneurs are effective in enhancing access to credit among these entrepreneurs because of their favorable loan terms, including limited requirements on collateral. The main justification is that the credit is secured by the members' deposit contributions. Additionally, the SME unions also promote financial literacy levels among the minority immigrant entrepreneurs because most of them tend to organize regular conferences and seminars to educate their members on available credit, savings, and investments (Doran et al., 2018).

Government support: The outcome of the systematic literature review revealed seven journal articles cited government support as a relevant issue that minority immigrant entrepreneurs should consider to enhance their overall level of financial literacy. Gibson et al. (2014) argued that a number of minority immigrant entrepreneurs do not understand the state government's role in promoting access to credit. In this regard, a limited number of the immigrant

entrepreneurs from developing countries such as Nigeria seem to be unaware on the available short-term credit targeted for the small business entities.

Participants in the current study also asserted that some of the Nigerian immigrant entrepreneurs are not aware of the SME loans offered by the SBA. According to Kaiser and Menkhoff (2017), most governments from advanced nations have also set up educational platforms to sensitize minority and immigrant entrepreneurs in on the available credit and investment options. For instance, the insight based on the interviews revealed that the Texas state government has designed a website maintained by the Secretary of State to raise awareness among minority immigrant entrepreneurs on the available credit facilities across the state.

Summary

The data analysis results section presents the outcome based on thematic analysis of the interviews and a systematic literature review. Demographic data of the respondents revealed that the majority of the 18 respondents were male (78%), aged over 55 years and reported an average annual income greater than \$100,000.

The thematic analysis of the interviews revealed that the Nigerian immigrant entrepreneurs need to take into account the importance of their credit rating, credit information, collateral, credit unions, networking, state government support, and a good business plan as part of effective strategies to enhance their overall level of financial literacy with a view to promoting business sustainability. The analysis of the interviews

supported the findings of previous studies as analyzed with a systematic literature review, that indicated that educational awareness, credit score, state government support, and SME unions are important financial literacy aspects that should be considered by Nigerian immigrant entrepreneurs that operate in Houston, Texas.

Chapter 5: Discussion, Recommendations, and Conclusions

Many Nigerian immigrants' lack of understanding the U.S. credit system means that they do not have the financial literacy to manage their entrepreneurial activities (Lee & Black, 2017). Researchers have called for more attention to the challenges faced by immigrants, especially Nigerian immigrants, to understand the financial credit system (Lee & Black, 2017). Despite their low level of business ownership, African immigrant businesses exhibit the highest closure rate at 39% (Fairlie & Robb, 2014). There have been various studies on African business sustainability and growth challenges, but this study provided research on the effect of financial literacy of the U.S. credit system on the sustainability of Nigerian immigrant-owned businesses.

In this chapter, I present a detailed discussion of the findings of the study, as well as provide conclusions and recommendations from the study. This chapter draws content from all preceding chapters. The chapter derives the purpose of the study and research question from Chapter 1. Also, the literature review in Chapter 2 is largely used in the discussion of the findings obtained from Chapter 4. The methodology in Chapter 3 contributed to the discussion of how the results were obtained. Therefore, this is a central chapter that forms a comprehensive review and summary of all other chapters in the dissertation.

The main research question of this study was: What do Nigerian immigrant entrepreneurs in Houston need to do to be financially literate and navigate the U.S. credit

system successfully as they strive to sustain their business growth? The problem that the study aimed to address is the financial illiteracy among Nigerian immigrant entrepreneurs living in the United States. The purpose of the study was to develop a deeper understanding of the ways that Nigerian immigrant entrepreneurs' level of financial literacy might help them to identify what they need in order to use the U.S. credit system successfully to sustain their business growth in Houston, Texas.

For coherence and consistency, this chapter is classified into five subsections. The first section presents a discussion of the findings made from the study, the second section is an analysis of the limitations of the study, and the third section provides detailed recommendations drawn from the study. In the fourth section, the implications from the study are discussed. Lastly, I conclude by identifying the research gap for further studies into the discipline.

Interpretation of Findings

This qualitative exploratory case study was conducted to develop a deeper understanding of the ways that Nigerian immigrant entrepreneurs' level of financial literacy might help them to identify what they need know in order to use the U.S. credit system successfully to sustain their business growth in Houston, Texas. Most immigrants from Nigeria who are entrepreneurs are older than 55 years. The dominance of this age group in business can be explained by the fact that most professionals decide to venture into business when they retire or after many years of work experience in their disciplines.

Most of the entrepreneurs interviewed made an annual income of over \$55,000, indicating that the businesses were established. Consequently, the entrepreneurs need enhanced financial literacy to propel their businesses toward greater profitability and sustainability. The following is a discussion on what Nigerian immigrant entrepreneurs in Houston need to do to be financially literate and navigate the U.S. credit system successfully as they strive to sustain their business growth.

Credit Rating

The first thing Nigerian immigrant entrepreneurs need to do is to learn about how the credit system in the United States works. From the research findings, the business owner's credit rating is one of the major areas where Nigerian immigrant entrepreneurs lack adequate knowledge. The research findings align with Lee and Black's (2017) findings, who noted that many immigrants from Nigeria lack adequate financial literacy and are unable to understand the credit system used in the United States.

The knowledge gap can be explained by cultural variations, where the Nigerian system of determining the creditworthiness of an entrepreneur is based on a cash basis, while in the United States it is credit-based. Nigerian immigrant entrepreneurs need to understand the system used in the United States to determine the creditworthiness of the business. Garg and Singh (2018) explained the credit-based economy system used by American financial institutions in determining the creditworthiness of the borrower. According to Garg and Singh, under the credit-based approach, the system maintains

centralized information about the credit history and creditworthiness of businesses and individuals based on their past and existing credit transactions.

The lack of adequate knowledge regarding their credit score is a problem for Nigerians immigrants in the United States. It is a knowledge gap that needs to be filled to increase SME sustainability. The findings from the study are similar to those made by Garg and Singh (2018), who conducted a study regarding immigrant entrepreneurs from developing countries. Garg and Singh, and Huston (2012) also observed that immigrants from developing countries lack adequate knowledge regarding the credit score system in the United States.

These findings indicate Nigerian immigrant entrepreneurs are not aware of the measures they need to take to improve on their credit rating and increase their accessibility to more funds. The acquisition of this knowledge will help the entrepreneurs to improve on their credit rating by observing the parameters as set by the credit-based financial system. An improved credit rating will engender enhanced accessibility to loans by Nigerian immigrant entrepreneurs and afford them more capital to boost their businesses.

Credit Information

The second fundamental knowledge that Nigerian immigrant entrepreneurs need to acquire relates to awareness of credit facilities available in the United States. From the research findings, it is notable that the majority of the participants lack sufficient

information regarding the various credit facilities available for their benefit in the United States. The lack of this pertinent knowledge is preventing the entrepreneurs from fully exploiting various available sources of finance; hence they operate under limited capital, which limits their growth potential. This finding correlates with Eresia-Eke and Raath's (2013) findings, who argued that a lack of information regarding sources of credit is a major challenge for business entrepreneurs.

Due to the lack of knowledge of credit facilities available for SMEs in the United States, most Nigerian immigrant entrepreneurs resort to using their savings, which are not adequate, or getting bank loans, which are sometimes expensive. Consequently, Nigerian immigrant entrepreneurs need sufficient knowledge regarding the various credit facilities available to them. This knowledge will contribute to expanding their capital base and support increased growth and sustainability. In addition, the entrepreneurs will be able to save on the cost of capital as these available fund channels could be at lower- interest rates than traditional sources of funding. Moreover, the knowledge regarding various credit facilities available to the entrepreneurs will contribute to creating an ideal capital mixture, which in turns reduces their weighted cost of capital.

Collateral

The third fundamental knowledge that Nigerian immigrant entrepreneurs need to be financially literate is acknowledging the role of collateral in financing. From the findings, it is notable that the majority of Nigerian immigrant entrepreneurs do not have

adequate knowledge of the importance of collateral in accessing capital. Based on the findings, it may be that many Nigerian immigrants lack adequate collateral, hence their low chances of accessing loans. Absence of adequate collateral is caused by many factors, including inadequate knowledge of the role played by collateral in obtaining credit from financial institutions.

Bhushan and Medury (2013) defined collateral as valuable fixed assets owned by an individual or a business that can be used as a lien to acquire loans from banks and other financial institutions. The findings of the current study are consistent with previous research. For example, Bhushan and Medury indicated entrepreneurs need to know the role played by collateral and need to have adequate collateral that can guarantee them adequate financing for their business.

Credit Unions

The fourth financial literacy fundamental knowledge that Nigerian immigrant entrepreneurs require focuses on credit unions. The need for them to learn more about credit unions is reinforced by the results of the current study, which indicated that 56% of the respondents lack adequate knowledge regarding the role played by credit unions. As noted by Austin and Arnott-Hill (2014), credit unions provide quick access and inexpensive capital to SME entrepreneurs. They offer basic capital to small businesses, contributing to their growth potential.

Austin and Arnott-Hill (2014) noted that the requirements for SME entrepreneurs to acquire capital from credit unions are not as demanding as those from banks and other financial institutions. Therefore, entrepreneurs are not tied to meeting stringent requirements such as the possession of high valuable collateral before accessing credit facilities. The assertions made in this study support arguments by Gibson et al. (2014) and Kaiser and Menkhoff (2017), that when immigrant entrepreneurs form SME unions, they can access quick loans on favorable terms. Consequently, there is a need for Nigerian immigrant entrepreneurs to acquire adequate knowledge regarding creation of credit unions for themselves so that they can gain maximum benefits from their financing, hence fostering the growth of their businesses.

Networking

The fifth fundamental knowledge required is networking. Regarding this theme, half of the participants do not fully comprehend the importance of networking. The results indicate that more than half of Nigerian immigrant entrepreneurs are aware of networking. However, the majority do not appreciate the role played by networking in improving the financial stability of their businesses. According to Kaiser and Menkhoff (2017), networking involves forming sustainable business relationships and ties with other businesses and individuals. Kaiser and Menkhoff expounded on the need for SME owners to form networks through which they can learn more about the U.S credit system.

Through networking, entrepreneurs gather information from their peers on opportunities available for funding. Besides, the organizational leaders can collaborate in forming unions to contribute to widening their sources of financing. The networks will be of greater importance if they incorporate other businesses founded by U.S natives who have full knowledge regarding the credit operations in the United States. Nigerian immigrant entrepreneurs will benefit from these networks by acquiring more financial knowledge hence growth and sustainability in their businesses.

State Government Support

The sixth aspect is focused on state government support. From the research findings, 50% of the respondents do not have adequate knowledge of the role played by the state government in supporting SMEs and in providing literacy to small scale entrepreneurs. However, the other 50% are well-informed about the role played by the Texas state government in supporting and empowering SME entrepreneurs. Such support includes prompt approval of a trading license and provision of relevant information on the requirements to open and run various forms of businesses.

States play an important role in the survival of every business operating within its jurisdiction; therefore, its role cannot be ignored. Consequently, entrepreneurs need to appreciate the undisputable role played by the state government in empowering their businesses. This knowledge is also useful in creating awareness that the state is never against the prosperity of their businesses. In fact, states benefit from successful

businesses with a larger tax base. Therefore, the state supports the growth of all businesses without discrimination. Bruhn and Zia (2013) and Gibson et al. (2014) emphasized the indispensable role the state government plays in educating entrepreneurs. According to Bruhn and Zia, the state government should liaise with the department of commerce to educate immigrant entrepreneurs on pertinent issues regarding investing in the U.S such as sources of credit.

Business Financial Plan

The seventh theme derived from the research findings is the possession of a business financial plan. A strategic business financial plan helps entrepreneurs plan the direction of the business to prepare for growth as well as crises such as the coronavirus pandemic of 2020. Therefore, it is expected that most entrepreneurs should have adequate knowledge regarding the preparation of a strategic business financial plan. Conversely, from the findings, the majority of the Nigerian immigrant entrepreneurs in this study lack these essential skills.

Nigerian immigrant entrepreneurs, like other minority and immigrant populations, need to further explore the need for business financial planning as well as have relevant skills for making a business financial plan that helps in the acquisition of funds. Similar observations were made by Saptono (2018), who emphasized the need for knowledge regarding business financial planning. According to Saptono, a good business financial plan is among the fundamental factors considered by lenders when advancing business

loans. Entrepreneurs need adequate knowledge to develop a viable business financial plan that clearly articulates project activity, cash flow, financial performance of the business, and other financial features relevant to convincing investors or financiers on the suitability of the venture. Consequently, entrepreneurs will increase their chances of getting more funds for their business, hence gaining financial strength.

Limitations of Study

Despite the insights derived from this study, it was subject to some limitations, as is any research study. I was conscious of these limitations, hence the need to disclose them to the readers and users of this study, as a best practice for researchers as suggested by Palinkas et al. (2015). The limitations were about the methodology used and the scope of the study among others.

From the scope of the study, the study had a limited scope since it focused on Nigerian immigrant entrepreneurs in the Houston, Texas. Therefore, I did not consider including immigrants from other countries to determine their literacy level assessment. In addition, the scope was narrowed to entrepreneurs who had operated for over 7 years and therefore did not include the large number of entrepreneurs who have recently created a business in the United States. However, the scope of the research work was narrowed purposely to target entrepreneurs who will provide more information required in answering the study's complex questions.

The research design used also contributed to some limitations in the study. As discussed in Chapter 3, I used a qualitative methodology. This research design has various limitations, which include a lack of objectivity. Wilson (2015) argued that the qualitative design is prone to subjectivity because of the methods used in selecting the sample. In the current study, sample selection was conducted using purposive sampling, which is a nonrandom sampling method susceptible to subjectivity. Therefore, the study cannot be confirmed as being 100% objective.

Moreover, the results of the study were limited from being generalized due to the methodology used. According to McCusker and Gunaydin (2015), the results from a qualitative study lack generalizability when compared to the results obtained from a quantitative study. Therefore, the results of the study might apply to the target population and might not be used to describe other immigrant entrepreneurs from other countries. Therefore, it is up to the reader to determine how well the results could be generalized to other populations.

Recommendations

This section provides recommendations based on the findings from the study as well as related studies reviewed in the literature. The first recommendation is that the Nigerian immigrant entrepreneurs in the United States need to take the initiative to gain more financial knowledge regarding the U.S. financial system. As much as the state government plays a role in educating the entrepreneurs, the entrepreneurs need to take

personal initiative to gain financial knowledge, particularly on the seven themes identified in the study. This knowledge will greatly improve their accessibility to capital and hence foster financial growth.

Secondly, Nigerian immigrant entrepreneurs need to form business networks with other entrepreneurs. These strong ties will contribute to boosting their financial literacy levels as well as in creating more business opportunities. The state government plays a critical role in facilitating the SMEs startups and in their growth. Also, the state government is a great beneficiary when the businesses thrive and prosper, since the government receives revenue in the form of taxes and other fees from businesses. Therefore, the state government is a primary stakeholder in contributing to the improvement of financial literacy levels among the entrepreneurs in the region.

Also, the results indicated that a number of Nigerian immigrant entrepreneurs are not aware of the role played by the state government in facilitating their businesses. SMEs are not adequately feeling the government's impact. Therefore, I support similar recommendations made by Bruhn and Zia (2013): the state government should consider collaborating with the department of commerce to educate immigrant entrepreneurs on appropriate issues regarding investing in immigrant-owned and operated SMEs. There is a need for the creation of Nigerian Immigrant Chamber of Commerce to work in collaboration with the city and state government on how to educate the Nigerian immigrant community about U.S. credit system and financial literacy.

In addition, the Nigerian immigrant entrepreneurs in the United States need to take the initiative to gain more financial knowledge regarding the credit unions.

Entrepreneurs are critical stakeholders in credit unions because when entrepreneurs have adequate financial literacy, the credit unions also benefit as their clients make informed financial decisions. Credit unions have a role to play in fostering the literacy level among the immigrant entrepreneurs. Consequently, there is a need for Nigerian immigrant entrepreneurs to acquire adequate knowledge regarding creation of credit unions for themselves so that they can gain maximum benefits from their financing, hence fostering the growth of their businesses.

Implications

The results of the current study may be of great use to various stakeholders such as scholars, Nigerian immigrant entrepreneurs to the United States, and the Texas state government, among others. To Nigerian immigrant entrepreneurs in the United States, the results of this study is a wake-up call: these businessmen and women must acquaint themselves with relevant knowledge regarding the financial system in the United States. The results revealed seven critical areas of knowledge where the entrepreneurs require knowledge relevant for the financial growth of their businesses in the United States.

In addition, the findings and recommendations of this study could also be utilized by other immigrant entrepreneurs from other developing countries in identifying critical finance themes they need to understand for their businesses to thrive and grow in the

United States. The results of the study also have implications for the Texas state government. Although the government has continued to play a critical role in fostering the success of businesses in the state, a significant number of immigrant entrepreneurs are not aware of these roles.

Therefore, the Texas state government needs to consider the results from this study and identify areas where entrepreneurs lack fundamental knowledge and contribute to educating them. Also, the state needs to educate all entrepreneurs on the critical role it plays in fostering the businesses in the region. Scholars in finance, business, and allied disciplines may also benefit from the study. The results reveal research gaps and includes viable topics for future researchers. Therefore, scholars need to advance knowledge in the discipline by exploring the identified research gaps.

Conclusion

The research work takes a qualitative, exploratory case study approach in order to develop a deeper understanding of the ways that Nigerian immigrant entrepreneurs' level of financial literacy might help them to identify what they need to enjoy the U.S. credit system successfully to sustain their business growth in Houston, Texas. A qualitative methodology was selected because of its reliability in creating a profound understanding of phenomena. The scope of the study was Nigerian immigrant entrepreneurs who are business owners within the Houston, Texas metropolitan area.

Moreover, the study was grounded in rational choice theory. Based on this theory, I considered Nigerian immigrant entrepreneurs are rational agents, and therefore, they would consider the value of information available to them, the risks involved in setting up businesses, and the cost and benefit of those decisions before choosing the best options for their business situations. I collected data using interview methods. The data were recorded and later analyzed using thematic analysis. From the thematic analysis, seven themes were identified. These themes were interpreted as various areas that Nigerian immigrant entrepreneurs need to improve their financial literacy.

The key areas expounded in the study are (a) credit rating, (b) credit unions, (c) business financial plans, (d) networking, (e) collateral, (f) credit facilities, and (g) state government support. The entrepreneurs in this study indicated they lack adequate knowledge of these critical areas; hence the need for more education. Therefore, I recommend that entrepreneurs take the initiative to gain core financial literacy in these areas. In addition, it is recommended that the Nigerian immigrant entrepreneurs form networks and establish credit unions for their continued financial growth. Moreover, it is recommended that the state government play a greater role in educating the immigrant entrepreneurs, particularly on the financial system in the United States.

The findings provided adequate and rich information on the research topic. However, the study could not provide all the information needed due to factors such as the methodology used, its scope and context, among others. Therefore, these results

indicate areas of interest for further inquiry into the discipline. Future researchers need to compare the level of literacy between immigrant entrepreneurs in the United States from different countries to assess how they differ. In addition, there is a need for quantitative studies on this discipline to investigate how the level of financial literacy among immigrant entrepreneurs is related to business prosperity.

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Appendix A: Interview Protocol

Participant Code: _____

Location of Interview: _____

Date of Interview: _____

Start Time: _____

Finish Time: _____

Total Time: _____

Introductory Script:

Hello, thank you for agreeing to be part of my study. This interview will take about 45 minutes. I will be asking you question related to U.S. financial credit system. The purpose of this qualitative exploratory case study is to develop a deeper understanding of the ways that Nigerian immigrant entrepreneurs' level of financial literacy might help them to identify what they need to use the U.S. credit system successfully to sustain their business growth in Houston, Texas. Do I have your permission to tape-record the interview for me to get an inclusive record of your responses? The interview will involve taking as you respond to the questions. Are there any questions or clarifications you would like me to make before we begin? You may stop the interview at any time based on the consent agreement you signed. Are you ready to being?

Research question: What do Nigerian immigrant entrepreneurs in Houston need to do to be financially literate and navigate the U.S. credit system successfully as they strive to sustain their business growth?

Interview Questions:

Section A: General Data

1. Please state your gender.
2. Please indicate your age.
3. How many years have you lived in Houston, Texas United States?
4. Please indicate your income level.
5. State the reason for coming to the United States.

Section B: Specific Data

1. How did you fund your business launching?
2. What is the vital thing you are doing to access the needed fund for growth?
3. What is your understanding of the U.S. financial and credit system?
4. What are the specific challenges you face in accessing financial services in Texas?
5. What influence does your credit score rating have on your entrepreneurial funding?
6. How do you think the level of financial literacy affects your ability to access financial services?
7. What are the realistic strategies or steps to obtain funds for Nigerian immigrants in Houston?

8. What business financial resources give you a competitive advantage in Houston, TX?
9. What knowledge and skills do you think you need to grow?
10. What are some of the perceived roles of the Texas government in improving access to credit facilities among immigrants?
11. Based on your business experience in Houston, what should you do to improve your financial literacy of the U.S. financial and credit system?
12. What information do you find pertinent and would like to share in respect of what we have not discussed in this interview?

Ending Script:

Thanks again for your participation in this study. After the transcription of this interview is complete, I will email you a copy of the transcriptions for your review. If there are edits to the transcriptions, within three days of receiving, please reply to my email with comments in the document. If I do not receive any edits back within three days, I will consider our interview complete. Thank you again for your time and comments during this interview. If you are interested, I will share the results of my study with you once it is completed and has been accepted by my University. I will now end the recording.

Appendix B: Email to Research Participants

Hello, I am a doctoral student at Walden University inviting you to participate in my research about U.S. financial credit system. The purpose of this qualitative exploratory case study is to develop a deeper understanding of the ways that Nigerian immigrant entrepreneurs' level of financial literacy might help them to identify what they need to use the U.S. credit system successfully to sustain their business growth in Houston, Texas. I believe that your participation could facilitate the acquisition of the required information relating to the research topic. Thus, I am seeking individuals to interview to learn more about U.S. financial credit system.

This study is essential as the research findings might offer insight into the challenges facing Nigerian immigrants and the ways that they can gain enough knowledge of the U.S. credit system to adopt that knowledge and use it to sustain their businesses. The results may help Nigerian immigrant entrepreneurs to obtain a more in-depth understanding of the U.S. credit system, encourage Nigerian immigrant entrepreneurs to share financial literacy strategies, and advance research on the relationship between the U.S. credit system and business sustainability. Moreover, the research outcome may add to the existing body of literature and gain a robust understanding about the common understandings of U.S. credit system.

The participation will include completing an Informed Consent statement (I'll e-mail this to you); and allowing me to interview you face-to-face or interview by phone.

The whole process should take no more than 45 minutes of your time. Please let me know if you would like to participate or need more information. The course has deadlines, so we'll need to begin the process by February 25th, 2020 and finish the interview by March 2nd, 2020. You can contact me by phone XXX, e-mail XXX@waldenu.edu if you have any questions. Thank you in advance and I look forward to hearing from you.

Sincerely,

XXX