"What do immigrant entrepreneurs know about finance and accounting? An international study"

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Abstract

Understanding the drivers of success of immigrant entrepreneurs is a key endeavor for both research and public policy. In this study we compare the level of financial literacy of immigrant entrepreneurs in 4 European countries (Spain, France, UK and Italy) with the level of financial literacy of the general population of home country entrepreneurs with financial literacy of those in their home country. Following the methodology used by Trombetta (2016, 2023) to study home entrepreneurs in these countries, we conducted a telephone survey of 450 immigrant entrepreneurs in the remittances industry in 4 European countries. We surveyed 150 entrepreneurs in Spain, and 100 in France, Italy and the UK. Our results indicate that financial literacy in the immigrant entrepreneur group was low, significantly lower than the financial literacy of the population of home entrepreneurs as reported by Trombetta (2016, 2023). The results also indicate that out of all the financial literacy indicators, the understanding of revolving credit was the better understood by the people in our sample and that immigrant entrepreneur's financial literacy was significantly lower that the financial literacy of general population of their countries

1. INTRODUCTION

Understanding the characteristics of immigrant entrepreneurs, and in particular their drivers of success, has become an important concern for researchers ((Aliaga-Isla & Rialp, 2013; Altinay & Altinay, 2008; Basu & Goswami, 1999)). Moreover, immigrant entrepreneurs have significant implications for public policy and even public comity, as immigrant entrepreneurs are able to grow successful ventures, create employment and add value to society (Head & Ries, 1998). The interest in immigrant entrepreneurs is particularly relevant in Europe, where significant increases in immigration have met increasing counter reactions from citizens of European countries.

In particular, it is important to determine what characteristics drive the success of immigrant entrepreneurs. In this study, we continue previous research that has investigated the characteristics of immigrant entrepreneurs, by focusing on financial literacy. Previous research (Trombetta 2016, 2023) has examined the level of financial literacy for home entrepreneurs. In this study, we continue the trailblazing work in this area. We compare the level of financial literacy of immigrant entrepreneurs in 4 European countries (Spain, France, UK and Italy) with the level of financial literacy of the general population of home country entrepreneurs.

One significant problem in examining immigrant entrepreneurs, is that given the difficulties in gathering reliable samples of immigrants, data on immigrant entrepreneurs, in particular their financial literacy, often is ascertained through secondhand data and methods, which makes comparing their performance among different countries very difficult. Data that is bias free, and at the same time comparable cross country given a similarity of variables and methods is needed in research that allows us to understand the drivers of success of immigrant entrepreneurs.

To address those concerns, we conducted a telephone survey of 450 immigrant entrepreneurs in the remittances industry in 4 European countries. We used the same methodology used by Trombetta (2016, 2023) to study home entrepreneurs in 3 of these 4 countries. We surveyed 150 entrepreneurs in Spain, and 100 in France, Italy and the UK. To

eliminate problems of language, the respondents could answer in any of the 4 languages. A professional survey firm, which has been utilized in a number of global projects (e.g. the Global Entrepreneurship Monitor), was engaged to conduct the interviews.

In order to reduce industry variance, we concentrated on the examination of immigrant entrepreneurs in the remittances business. This business allows us not only to control for industry differences but also to focus on a business in which the reality of being an immigrant entrepreneur plays a key role for understanding the customer, and for overall success.

In addition to the performance data available from the survey, we are able to cross match their responses with data from the remittances company that confirms the accuracy of the data provided. In addition to financial literacy and education, we included a number of questions about the reasons that led them to migrate from their home country and the context of that relocation, questions regarding the nature of the business and general questions (demographic and contact information), which should also provide important insights as to what determines performance.

Our results indicate that, contrary to our prior expectations, financial literacy in the immigrant entrepreneur group was extremely low. One could expect the knowledge of finance and accounting concepts of individual running a business related to remittances to be relatively high. We show that this is not the case. Moreover, it is significantly lower than the financial literacy of the population of home entrepreneurs as reported by Trombetta (2016, 2023). In the discussion, we explore likely reasons for these results. The results also indicate that out of all the financial literacy indicators, the understanding of revolving credit was the better understood by the people in our sample. That is likely because given the nature of the businesses in which they are involved, revolving credit plays a salient role. Finally, in terms of country of origin, average immigrant entrepreneur's financial literacy was significantly lower that the financial literacy of general population of their countries. This was a very puzzling result as sociology research has consistently argued that immigrants compare favorably with those natives that stayed behind (Portes and Jensen, 1998).

2. METHODOLOGY

In order to provide consistency and the ability to compare with previous research that provided baseline data of financial literacy per country, we followed the metrics employed by Trombetta (2016; 2023) in the measurement of financial literacy. To gather our sample, we started with a listing of firms in the financial remittances business that were associated with a top firm in the industry. Because of prior research, we understood that the company's strategy consisted in contacting immigrant entrepreneurs in each of the countries they operated and providing them with technological infrastructure and credit in order for the entrepreneurs to become associated with the firm's remittances network. An added benefit of this approach is that we could ascertain information about the firms, and more importantly, assured consistency in the sample and accounted for cross industry variance.

From a listing of over 15000 of these ventures, headed by immigrant entrepreneurs in Europe, we randomly selected cases for each of the 4 countries that constituted the basis for the study: 150 from Spain, and 100 each from the UK, France and Italy. We believe that this number provided a reasonable balance of costs and statistical power. Surveys were done by phone interview.   A survey company, with experience in running large phone surveys of this nature, was engaged to do the calls. The company had significant prior experience with multi-country/multi-language surveys such as the Global Entrepreneurship Monitor, and thus we were confident in their ability to conduct a rigorous study.

The survey was developed in English. Afterwards, it was translated and back translated into the other three languages of the study. Multiple rounds of this process ensured that the meaning was not lost in translation. Surveys were available to respondents in any of the four languages of the study. The first question was which language they preferred to answer the survey in. Average completion time was under 30 min, and in addition to financial literacy, the survey asked questions regarding the reasons that led them to immigrate, the assistance they received to start their businesses, questions regarding the nature and characteristics of their business, as well as demographics.

3. THE SAMPLE

Table 1 presents the characteristics of our sample. While the sample included immigrants from a number of countries (46), the countries that provided the largest number of immigrant entrepreneurs for our sample were Pakistan, Bangladesh, India, Morocco, Colombia, Senegal, Ecuador and Nigeria. These eight countries represents 77% of the whole sample. Interestingly, even though the sample contained immigrants from all continents, the top was distributed amongst three main continents: Asia, Africa and Latin America. Further, we have to highlight that Phone and Money shops are disproportionally dominated by the Indian subcontinent and in particular by Pakistanis (33% of our sample).

Moreover, because of the particular nature of business with China and specific restrictions on money transfer, the company and most money transfer companies in the industry, excludes Chinese transfer agents from its pool, as Chinese emigrants tend to use Chinese traditional methods of money transfer for their transactions. While we understand that this is a significant limitation of our study, we believe that we have an accurate picture of the characteristics of immigrant entrepreneurs and would be surprised if the results from Chinese immigrant entrepreneurs were significantly different from our findings. Further research is clearly needed in that regards.

We see no particular differences in terms of the country of residence with respect to country of origin. Nationalities are equally spread in the four countries, apart from an expected prevalence of immigrant entrepreneurs from Latin America in Spain. In terms of education, as it relates directly to our concern with financial literacy, a high percentage (56.22%) of our sample has achieved a high school diploma (baccalaureate)

Table 1. Description of the sample

Panel A

	Asia	Africa	LatAm	Europe	Others	n.a.	Total
	58.89	17.11	18.67	4.00	0.67	0.67	100.00
Gender							
Male	93.58	87.01	61.90	50.00	100.00	100.00	84.89
Female	6.42	12.99	38.10	50.00	0.00	0.00	15.11
Education							
Primary	11.70	25.97	13.10	11.11	0.00	0.00	14.22
Secondary	16.23	10.39	11.90	33.33	0.00	0.00	14.89
High School	61.13	48.05	50.00	38.89	66.67	100.00	56.22
Univ. Degree	10.94	15.58	25.00	16.67	33.33	0.00	14.67
Residence							
Spain	26.79	29.87	58.33	16.67	33.33	100.00	33.33
France	24.15	22.08	14.29	27.78	66.67	0.00	22.22
Italy	27.55	16.88	13.10	16.67	0.00	0.00	22.22
UK	21.51	31.17	14.29	38.89	0.00	0.00	22.22
Age							
18_24	3.40	3.90	10.71	0.00	0.00	0.00	4.67
25_34	20.75	20.78	23.81	5.56	0.00	0.00	20.44
35_44	49.06	42.86	36.90	61.11	0.00	66.67	46.00
45_54	23.40	27.27	25.00	27.78	100.00	33.33	25.11
55_64	3.02	5.19	2.38	0.00	0.00	0.00	3.11
>64	0.38	0.00	1.19	5.56	0.00	0.00	0.67
Total	100	100	100	100	100	100	100

Table 1. Description of the sample (ctd.)

Panel B

	Asia	Africa	LatAm	Europe	Others	n.a.	Total
Will to migrate							
Low 1	1.13	7.79	7.14	11.11	0.00	0.00	3.78
2	5.28	5.19	5.95	0.00	33.33	0.00	5.33
3	30.57	15.58	30.95	22.22	0.00	33.33	27.56
4	36.98	38.96	26.19	44.44	33.33	66.67	35.78
High 5	26.04	32.47	29.76	22.22	33.33	0.00	27.56
Source of funds							
Own money	61.13	54.55	55.95	72.22	100.00	100.00	60.00
Friends	12.08	16.88	14.29	16.67	0.00	0.00	13.33
Family	20.75	22.08	25.00	5.56	0.00	0.00	20.89
Bank loan	3.40	3.90	2.38	0.00	0.00	0.00	3.11
Other	2.64	2.60	2.38	5.56	0.00	0.00	2.67
Fear of Failure							
Low 1	19.25	16.88	14.29	11.11	0.00	0.00	17.33
2	21.13	27.27	15.48	22.22	33.33	33.33	21.33
3	32.45	32.47	38.10	50.00	66.67	33.33	34.44
4	21.89	14.29	22.62	16.67	0.00	33.33	20.44
High 5	5.28	9.09	9.52	0.00	0.00	0.00	6.44
Years of residency							
1 to 5	9.43	5.19	15.48	22.22	0.00	33.33	10.44
6 to 10	30.19	14.29	17.86	16.67	0.00	33.33	24.44
11 to 20	48.68	59.74	59.52	55.56	66.67	33.33	52.89
more than 20	11.70	20.78	7.14	5.56	33.33	0.00	12.22
Total	100	100	100	100	100	100	100

We have a prevalence of males that started their business mainly with their own money. The vast majority of these immigrant entrepreneurs had a fairly strong determination to migrate when they left their home country, but they also experience certain degree of fear of failing in their initiatives. Finally, almost 90% of the respondent have already lived in the host country for at least 6 years.

4. FINDINGS ON FINANCIAL LITERACY

4.1 Basic Financial Literacy

First, we want to assess the general level of financial literacy of our respondents. We will use two measures of financial literacy. One is the original measure introduced by Lusardi and Mitchell (2011): the percentage of the respondents that got all the first three basic questions right (also known as "the big three"). An alternative measure is the one used by Klepper et al. (2015) for the S&P Global Financial Literacy Survey run in 2014. A new question on revolving debt is added and a person is considered financially literate is he/she answers three out of the four questions right. We will call this measure "World FL".

Table 2. Basic Financial Literacy

	Our sample	Trombetta (2016)	Trombetta (2023)
FL1 Diversification	30.67	56.20	55.70
FL2 Compund Interest	26.67	85.20	82.70
FL3 Nominal vs Real	30.89	70.00	69.70
FL4 Revolving Debt	48.44	43.20	46.50
Basic3Right	3.11	44.80	43.80
All3BasicWrong	34.00	9.00	9.17
World FL	13.00	58.60	56.50

As we can see from Table 2, the level of basic financial literacy in our sample of immigrant entrepreneurs is much lower than in the previous studies conducted on a sample of "home" entrepreneurs in Spain (Trombetta, 2016) and in 3 European countries (Trombetta, 2023). This is true no matter at which measure we look at. In our sample of immigrants entrepreneurs we find a much lower percentage respondents that got all the three answers

right (3.11% vs 44.8% and 43.8%) and a much higher percentage of people that got all the three answers wrong (34% vs 9% and 9.17%). This lower level of financial literacy is equally found in any of the three basic questions, where the percent of right answers in our sample is much lower than in the previous two studies.

We then extended the definition of basic financial literacy to include a fourth question of revolving debt we still find that the overall level of literacy for immigrant entrepreneurs (13%) is far smaller than those registered for home entrepreneurs). However, quite surprisingly, the percentage of immigrant entrepreneurs understanding the logic and the dangers of revolving debt (48.44%) is higher than the one registered for home entrepreneurs (43.20% and 46.50%).

The difference in the overall level of basic financial literacy could be due partly to a lower level of financial literacy in the countries of origin of immigrant entrepreneurs. In order to contrast this, we may look at the level of general financial literacy around the world. In order to do that we can use the S&P Global Financial Literacy Survey conducted in 2015 (Klapper et al., 2015). The comparison between our sample of immigrant entrepreneurs and the level of general financial literacy in their country of origin is presented in Table 3

Table 3 General Financial Literacy by country of origin and by host country

	Our sample	FLAT (2015)
PAKISTAN	14%	26%
BANGLADESH	3%	19%
INDIA	15%	n.a.
MOROCCO	19%	n.a.
COLOMBIA	8%	32%
SENEGAL	11%	40%
ECUADOR	6%	30%
NIGERIA	0%	26%
Spain	18%	49%
France	7%	52%
Italy	16%	37%
United Kingdom	10%	67%

As we can see, for every of the first 8 countries of origin most represented in our sample, the percentage of respondent that got at least 3 of the 4 basic questions right in the 2015 study is lower than any of the 4 host countries (with the exception of Senegal). However, the same measure of financial literacy is much smaller in our sample than in any of the countries of origin. The same is true if we segment our sample by receiving country: the level of financial literacy for our sample is much lower than the general population. However, immigrant entrepreneurs to Spain and Italy are more financially literate than those that emigrated to France and the United Kingdom.

The countries of origin in Table 2 are ordered in order of importance within our sample. More than half of our sample comes from the first three countries: Pakistan, Bangladesh and India.

It is remarkable the difference between Bangladesh and the other two countries of the Indian sub-continent.

It could be interesting to group our sample by geographic area. 95% of our sample comes from three areas: Asia (59%), Latin America (19%) and Africa (17%). Immigrant entrepreneurs from Latin America are more financially literate than those coming from Asia or Africa[1].

Table 4 presents our results broken down by Gender, Age and Education. Both in Panel A and Panel B we compare our sample of immigrant entrepreneurs with the worldwide results of Klepper et al. (2015) and with the results of Trombetta (2016) for Spanish entrepreneurs and with the results of Trombetta (2023) for local entrepreneurs in Spain, Italy and the UK. In Panel A we use the measure of basic financial literacy used by Klapper et al. (2015), where in Panel B we use the original measure of Lusardi and Mitchell (2011).

As usual, the level of financial literacy in our sample is considerably lower than in the other samples. However, it is interesting to notice that for our sample of immigrant entrepreneurs, the traditional gender gap is reversed, *with women being more financially literate than men*. To the best of our knowledge, this is the first time such a result is found in a study on financial literacy. A gender gap in favor of male respondents is one of the uniform results in all the previous studies (Bucher-Koenen et al., 2017).

The age curve gives us another interesting result. Contrary to the previous studies, in our sample relatively older people (more than 45) are less financially literate than younger people are. This is not due to low representativeness of this age category in our sample, given that 29% of our respondents are more than 45 years of age.

Finally, with respect to education we find the usual bias in favor of the more educated as expected. Obtaining a high school diploma grants some advantage, while a university degree creates an important favorable gap.

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[1] The breakdown by geographical areas is not available in Klapper et al. (2015)

Table 4. Financial literacy by Gender, Age and Education

Panel A: World FL (3 out of 4 right)

	Our sample	FLAT 2015	Trombetta (2016)	Trombetta (2023)
Male	13%	35%	68%	67%
Female	16%	30%	38%	42%
15-35	11%	36%	52%	42%
36-50	16%	34%	57%	54%
51-64	8%	32%	72%	72%
>64	0%	26%	0%	0%

Panel B: "Bigh Three" right

	Our sample	Trombetta (2016)	Trombetta (2023)
Male	3%	53%	53%
Female	3%	27%	31%
18_24	0%	n.a.	14%
25_34	3%	38%	29%
35_44	5%	42%	41%
45_54	1%	45%	48%
55_64	0%	67%	59%
Primary	1.56%	33.30%	26.67%
Secondary	1.49%	29.60%	22.48%
High School	2.77%	39.80%	45.61%
Univ. Degree	7.58%	52.10%	46.07%

Table 5. Entrepreneurial characteristics and financial literacy

	Basic3right	World FL
A. Will to Migrate		
Low 1	0.0%	12%
2	8.3%	13%
3	4.8%	14%
4	1.9%	14%
High 5	2.4%	12%
B. Source of funding		
Own money	2.2%	13%
Friends	1.7%	15%
Family	7.5%	14%
Bank loan	0.0%	0%
Other	0.0%	17%
C. Fear of failure		
Low 1	3.9%	15%
2	7.3%	21%
3	1.3%	12%
4	1.1%	9%
High 5	3.5%	7%
D. Years in the host country		
1 to 5	4.26%	15%
6 to 10	2.73%	17%
11 to 20	3.78%	13%
more than 20	0.00%	5%

Table 5 presents data that, to the best of our knowledge, have not been collected before in any study on financial literacy. They relate to the specific category of entrepreneurs surveyed for this study: immigrant entrepreneurs.

We asked them to self-report their willingness to migrate and their fear of failure. We also asked them to identify their main source of financing at the time of setting up their business. The vast majority of our respondents were relatively eager to migrate (i.e. 91% of them self-reported a value greater than or equal to 3). If we focus on the more general measure (World FL), we do not see any major difference in financial literacy. If we look at the more restrictive measure (Basic3right) we see that those that were relatively less willing to migrate (self-reported value equal to 2 or 3) are relatively more financially literate. Interestingly, we also find relatively more financial expertise among the more confident immigrant entrepreneurs (fear of failure equal to 1 or 2), no matter to which measure we look at. More than half of the entrepreneurs in the sample used their own funds to start their business. However, their level of financial literacy is not different from the rest of the sample. Finally, recent cohorts of immigrants (less than 10 years in the host country) are more financially literate than older cohorts.

To summarize, with respect to basic financial literacy we find that our sample of immigrant entrepreneurs is much less financial literate than home entrepreneurs and than the general population of the home and of the host country, with the exception of the knowledge of the logic of revolving debt. Spain and Italy seems to attract immigrant entrepreneurs that have a higher knowledge of basic financial concepts. Moreover, financial literacy is positively associated with education and confidence. Surprisingly, we detect a reverse gender bias, with women being more knowledgeable than men. In addition, in contrast with previous studies on home entrepreneurs, we detect more financial literacy among individuals aged between 25 and 44 and that have migrated relatively recently.

4.2 *Advanced accounting and finance literacy*

Given the very low level of basic financial literacy reported in the previous section, we expect the level of advanced Accounting and Finance literacy to be even lower and almost non-existent. The results shown in Table 6 confirm this expectation.

Table 6. Advanced Accounting and Finance literacy.

	Our sample	Trombetta (2016)	Trombetta (2023)
FL5 Zero Debt?	5.78%	29.00%	26.30%
FL6 Sales Growth	4.00%	48.80%	51.30%
FL7 Accrual vs Cash	6.44%	43.00%	49.70%
FL8 Depreciation	32.44%	52.40%	48.90%
FL9 ROE vs ROA	6.00%	8.80%	9.20%
All Advanced Correct	0.00%	1.40%	1.60%
All Advanced Correct exc. ROA vs ROE	1.30%	13.80%	11.50%
3 out of 5 correct	2.22%	35.00%	34.73%

No matter which synthetic measure we use, almost none of our respondents can be considered overall financially literate at this advanced level. Even if we just require the entrepreneur to get any three of the five questions, we still have only 2.2% of the respondent that reach this level. This percentage is much smaller than in the previous studies on home entrepreneurs conducted by Trombetta (2016, 2023), with the exception of the most restrictive measure, i.e. all the five questions correctly answered. However, this is due to the fact that home entrepreneurs of the previous studies scored very poorly according to this measure. This low level of advanced financial literacy is surprising given that an important

part of the Phone and Money shop business has to do with a form of financial management (remittances to the home country).

If we look at the breakdown for each question, we notice some interesting differences between immigrant and home entrepreneurs. In the previous studies on home entrepreneurs, the question on the analysis of the difference between ROA and ROE and of the leverage effect was by far the most difficult for the respondents and was causing the extremely low level of advanced financial literacy. The percentage of right answers in the other four questions were much higher. Moreover, if we just ask to answer only three out of the five questions correctly, then the level of advanced financial literacy for home entrepreneurs increases considerably reaching a level (35%) which becomes almost comparable with the level of basic financial literacy for the general population.

When we look at immigrant entrepreneurs, we see that the results are quite similar and very low for all the questions, with the exception of the question on Depreciation. 32.44% of the sample of immigrant entrepreneurs interviewed for this study understand correctly the concept of depreciation while calculating the net income of the period during which an investment is made. In other words, a relatively high percentage of them understand the concept of an asset as something that you spend on now in order to generate revenues for the future and has some idea of the matching principle while accounting for such an investment.

4.3 Multivarate analysis

In Table 7 we present the results of a Tobit regression of the level of Total Financial literacy (measured as the number of financial literacy questions answered right) on a set of individual characteristics of our sample of immigrant entrepreneurs.
As we can see, this multivariate analysis confirms the descriptive results presented before.

Financial literacy is
- positively correlated with the general level of education
- inversely correlated with number of years spent in the host country

- higher for immigrants that are resident in Spain

The other variables are not statistically significant, confirming the absence of a gender bias and of an effect of the region of origin.

Table 7. Determinants of Financial Literacy

	Coef.	t	P>t
Gender	0.04	0.27	0.79
Age	0.06	1.05	0.29
Education	0.27	4.57	0.00
WillToMig	-0.06	-1.31	0.19
FearFailure	-0.03	-0.54	0.59
Residency	-0.02	-1.71	0.09
Spain	0.46	3.27	0.00
Italy	0.06	0.39	0.70
UK	0.07	0.45	0.65
Asia	0.51	1.16	0.25
Africa	0.50	1.09	0.28
LatAm	0.45	0.98	0.33
Europe	0.49	0.96	0.34
_cons	0.29	0.47	0.64
LR chi2(13)	42.70		
Prob > chi2	0.00		
Pseudo R2	0.03		

This table present the results of a Tobit multivariate regression.
Dependent variable: TotFL= number of Financial Literacy questions answered correctly.

These results are robust to different choices of the measure of financial literacy (Basic vs Advanced) and of the estimation technique (tobit vs logit or probit)

5. DISCUSSION AND CONCLUSIONS

Our analysis shows that the level of financial literacy of immigrant entrepreneurs in the Phone and Money shops is very low. This is contrary to our intuitive expectations. This line of business provides financial services to immigrants. One could expect the people running it to be more financially knowledgeable than their clients are. This is not the case.

However, these entrepreneurs understand pretty well the concept and dangers of revolving debt. This makes sense, given that their core business is all about financing the quick transfer of money through short-term debt. Moreover, they also understand well the concept of depreciation, i.e. the idea that using cash to buy items that provide economic benefits for more than one period is an investment and not an expense. This finding is also consistent with the fact that these are individuals that run a business and look for growth opportunities achievable by making the right investments. Interestingly, immigrant entrepreneurs in Spain are more financially literate than those settling in the other three host countries. We believe that this result could be connected with the prevalence of Latin American immigrants and the cultural proximity between the language and the country of origin and Spain (Dana, 1993).

The situation described here seems to be evolving. Those immigrant entrepreneurs that have arrived in the host country later are relatively more financially literate. The importance of analyzing trends and dynamics while studying immigrant entrepreneurship has been documented before with respect, for example, to the learning process (Musaji et al., 2020) Hence, repeating the survey in the future could yield different results.

We have surveyed a crucial segment of immigrants. These people have managed to settle legally in their host country and to open a regularly registered business that provides key financial services to other immigrants. Often the Phone and Money shop is just the first step in their entrepreneurial career and it is followed by the opening of either different line of business within the same premises or the opening of new shops or ventures. Hence, this group of people can play a key role in facilitating the integration of immigrants within the host country economic and legal system. Increasing their business skills may provide an important boost to their ability to succeed and expand. A sound knowledge of financial management and accounting is certainly part of these skills. Consequently, there exists a great potential for programs aimed at providing financial education to immigrant entrepreneurs (Collins, 2013). There is then an opportunity for public policy to act in a way that betters immigrant entrepreneurs financial understanding and thus their likely success. Success that can translate into increase wealth creation, and more importantly, to increased assimilation and

better understanding of the benefits of legal and organized immigration to European societies.

However, experience has shown that, in financial education, not all the programs work equally well. Different people need different educational strategies. Our results show that immigrant entrepreneurs need basic training directly related to their daily activity, rather than programs centered on relatively more advanced financial concepts. Previous experiences implemented in developing countries show that these more basic and intuitive program work better in these circumstances (Drexler et al., 2014).

As noticed before, we already observe a better level of financial literacy in the new cohorts of immigrant entrepreneurs. This historical trend combined with targeted programs of financial education can provide a boost to the growth of businesses run by immigrants and help at transforming immigration from a problem to deal with into a resource for the growth of the host country (Portes et al., 2002).

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