

ABSTRACT

Purpose - Financial knowledge (FK) is considered one of the major factors influencing performance of farm enterprises. The purpose of this paper is to examine the effect of FK on performance of women farm enterprises. Performance is measured using levels of savings and enterprise margins. **Design/methodology/approach** - The study uses primary data of 384 farmers from three sub-counties in Kericho County, Kenya. It employs a propensity score matching (PSM) approach to control for possible selection bias and to model the impact of FK on performance of women farm enterprises. **Findings** - The analysis reveals that high FK has a significant positive impact on performance of women farm enterprises. Specifically, respondents with higher levels of FK were also associated with higher amounts of savings and enterprise margins. **Research limitations/implications** - Econometrically, robust strategies were employed using PSM to ensure minimal estimation bias. Although PSM captures selection bias due to observable characteristics, it fails to capture selection bias due to unobservable factors. **Originality/value** - The paper contributes to the growing debate on the role played by FK on performance of small and micro enterprises. It provides insights on the state of FK among women farmers and identifies knowledge gaps and policy implications from a developing country perspective.