

Original Research

Contribution of Financial Literacy on Behaviour: A Nepali Perspective¹

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Abstract

Financial literacy and behaviour are emerging personal financial agendas both in education and finance. However, financial literacy has behavioural implication and effect on the financial well-being of individuals. Therefore, assessing financial behaviour by measuring financial literacy of individuals is important research attention. In this paper, the contribution of financial literacy on the financial behaviour of small borrowers is measured and analysed. The study follows a quantitative research methodology under the post-positivistic research paradigm. A simple scoring method is used to measure financial literacy and the logistic regression model is used to measure the probabilistic contribution of financial literacy on behaviour. By using a sample survey, the study collects 393 sets of responses from small borrowers selected randomly from four districts of Nepal. Theory of planned behaviour is used to interpret the finding. The theory of planned behaviour states that the literacy i.e. knowledge and skill in financial matters will develop an attitude, and if the attitude is positive, the persons will behave accordingly. The finding explores that improved level of financial literacy contributes financial behaviour of the small borrowers positively. The study concludes that for enhancing financial behaviour, contemporary and contextual financial literacy programs are necessary to educate the individuals. The study also connects financial well-beings with enhanced financial behaviour. Findings of this study are useful for policymakers, financial service users, academicians and financial service providers in Nepal.

Keywords: Financial Literacy; Financial Behaviour; Small Borrowers; Nepal

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Background

Improvement in the financial literacy of a person is an immediate target of financial education. Similarly, the immediate role of financial literacy is to change financial behaviour and thereby affect financial well-being positively. Any educational input that does not affect human behaviour is worthless. Financial literacy is an emerging subject of personal finance and one of the important competencies of individuals worldwide. In some of the developed countries like USA, Australia, Canada, etc., the concern of personal finance and financial literacy are highly prioritized after the world financial crisis (Wagner, 2015). This priority reflects that financial literacy is a policy agenda both in education and finance. In Nepal also, Nepal Rastra Bank (2011) mentions financial literacy as a policy concern. However, Nepal's endeavour in this agenda has yet to get momentum. Though some financial institutions are providing some financial counselling programs to their clients in their own ways, there is a gap of an integrated effort to educate them. Few of SAARC countries like India and Pakistan have prepared strategies on financial literacy. In this, Nepal Rastra Bank has formulated a policy draft on financial literacy, which is on the way of approval from the government of Nepal. Similarly, prudential regulations, monetary policies and strategic plan of the Nepal Rastra Bank are also prioritizing financial literacy for improving access to finance, financial inclusion and financial consumer protection. Therefore, financial literacy is also expected to contribute to financial sustainability and financial sector stability of the country.

Financial literacy is an art of managing money that helps understanding, accounting and managing personal income. Noctor, Stoney, and Stradling (1992) have defined financial literacy as an informed judgment and ability of decision making of a person in money management (as cited in Jariwala, 2013). In this connection, Tyson (2010) argues that money is a personal and confidential matter. Individuals always desire to protect the amount of money they have and desire to increase its amount for the future. Such desire depends on efficient management knowledge and skill in personal finance. Management of personal finance falls under the subject of economics broadly and under finance particularly. Understanding, planning of making money and wise management of money helps individual's financial safety for the future and thereby helps achieve personal financial sustainability and security. Rasoaisi and Kalebe (2015) and Sarigul (2014) conceptualise financial literacy as understanding the money and its use. This

notion emphasizes that money and financial literacy has a close relationship with each other.

On the references, this study measures causal relationship and contribution of financial literacy on financial behaviour, which is useful for financial service users, service providers, policymakers and academicians. Despite several scattered practices of financial literacy programmes in Nepal, there is a gap of national policy on it. For policy formulation, academic and policy researches are useful. For this, this study can explore the rationales of financial literacy programmes in the policy formulation process both in education and finance.

The purpose of this paper is to measure the contribution of financial literacy on financial behaviour. For this, financial literacy and behaviour are measured by using a separate set of questions. However, financial literacy is measured with its two attributes, i.e. financial skills and understanding. Financial behaviours of individual are reflected in several activities in which money and income are used. In general, peoples use their money and income in two major purposes, i.e. income-generating and consumption expenditures. In this study, after the measurement of financial literacy and behaviour, the probabilistic contribution of financial literacy on behaviour is calculated.

Evolution of the Concepts of Financial Literacy

The idea and priority of financial literacy began with human civilization, which was also linked with the evolution of money, trade, exchange and ownership of property. Money is a means of evaluating income, saving, consumption and wealth. In this sense, financial literacy is not a new concept in itself as it is in practice since long. However, lately, it has been prioritized in education and finance as a separate subject of study. Organization for Economic Cooperation and Development (2005) conducted the first international comprehensive study on financial education. It shows that financial literacy is an emerging educational issue in the formal financial spectrum.

Sarigul (2014) mentions that the concept of financial literacy was first studied in 1997 by Jumpstart Coalition. But, Remund (2010) argues that the interpretation and research on financial literacy began since 2000. The focus of financial literacy is also closely linked with the global financial crisis of 2007-09 and become a policy agenda in the financial sector. Aftermaths of global financial distress stimulated the area of financial literacy for policymakers across the globe (Gupta & Kaur, 2014). Similarly,

Miller, Reichelstein, Salas, and Zia (2014) argue that the priority of financial literacy is increased after the global financial crisis. The crisis teaches the lesson of the cost of financial illiteracy, ignorance and unsystematic financial behaviour of financial institutions and consumers to the financial system.

Financial literacy revolves around knowledge, skill, attitude and behaviour of the individuals in financial matters. But, there are some backward and forward linkages of these dimensions. The linkages show that the dimensions of financial literacy are neither exogenously determined, nor these are the destinations. Financial education, experiences, learning and contexts are some of the backward linkages which influence financial knowledge, skill, attitude and behaviour. Similarly, financial well-being and consistency of personal financial stability are some of the forward linkages of the factors.

The financial factors are not the financial panacea for everyone, everywhere and every time. The factors are contextual and relative concepts, i.e. what the financial matters were major some years ago, may not be equally important and practicable today. For the time being, some priorities, technologies and needs of the individuals in financial matters have been changed. Moreover, the financial matters are not limited in the institutions, at least in underdeveloped countries like Nepal. Some local knowledge, skill, experiences and financial traditions also play a major role in ways of knowing and dealing with money. Financial activities are also affected by financial culture. Such concepts are necessary for valuing financial literacy.

Financial Knowledge

Financial knowledge is a significant attribute of financial literacy. Potrich, Vieira, and Kirch (2015) describe financial literacy and knowledge synonymously. But, financial knowledge is an integral dimension of, but not equivalent to, financial literacy (Huston, 2010). Sources of knowledge are intrinsic and extrinsic. Some sources of extrinsic knowledge are observation, audio-visual, own experience, listening, reading and research. Intrinsic knowledge of individuals comes from within. Tustin (2010) expresses financial knowledge as a self-assessed understanding of financial matters.

Similarly, Shim, Barber, Card, Xiao, and Serido (2009) find that financial knowledge has a significant contribution to the financial behaviour of a person. But, Collin (2010) argues that knowledge only is inadequate to change one's behaviour. In

this connection, Chaulagain (2015) presents financial knowledge as a dimension of financial literacy that is contributed by financial education. Moreover, Oanea and Dornean (2012) categorize the definition of financial literacy as an awareness. However, financial awareness is part of financial knowledge. The individuals can enhance their knowledge from several alternative sources such as traditions, experiences, customs and local cultures. Rightly, Parajuli (2014) opines that sources of knowledge go also beyond the formal setting of schooling and education.

Financial Management Skill

Ability to manage money is important but difficult than earning. Practically, managing the money is not easy because it is affected by several external factors such as a source of income, the market price of goods and services, the hierarchy of human needs and market situation, etc. Lawless (2010) focuses on investment decision making skill that may add the value of money for a longer period of time. Investing money in earning areas is also a part of money management. There is a very thin border between financial literacy and skills. Mireku (2015) argues that financial literacy and skill are used synonymously that contributes to financial attitude. In practice, skill is an integral part of literacy. Relatively, the measurement of financial skill is tougher than understanding and describing. Normally, the skills of individuals are observed, tested and self-reported.

The skill is alternatively used as ability, competency, capability and proficiency of the individuals in doing work and making decisions. Ozdemir, Temizel, Sonmez and Fikret (2015) present financial literacy as a financial skill that contains the ability of money management. Financial skill contains financial numeracy, financial plan, retirement plan, budgeting, record keeping and decision making at the basic level. Remund (2010) opines that without financial skill and ability, merely the knowledge does not work. It shows that the skill is equally important as knowledge. President's Advisory Council on Financial Literacy (2008) has mentioned budgeting, purchasing decisions as financial skill. Moreover, The President's Advisory Council on Financial Capability (2012) links financial literacy with skill development. Lusardi (2012) argues that numeracy and financial literacy are important life-time skills of individuals. Numeracy is more related with the capacity of calculating interest rate both in saving

and credit, tax to pay on interest and business earning, gain discounts and rebates, penalty and service charges to pay, etc.

Financial Behaviour

Financial behaviour of individuals is important but difficult to understand, define and measure. Behaviour is a demonstration of activities, which is possible to watch and observe by others. Dew and Xiao (2011) present financial behaviour as financial management behaviour. Financial management is the activity of managing money. Xio, Chen, and Chen (2013) opine that financial literacy influences financial behaviour. Primarily, the financial behaviour deals with money and income. Such primary utilization of money is operation level of financial behaviour. Gradually, a conscious behaviour shows in decision making, critical thinking, comparing the opportunity cost, seeking alternatives of wastage minimization, etc.

Monticone (2010) opines that there is a double relationship between financial literacy and behaviour, i.e. financial literacy affects financial behaviour and vice-versa. However, the effectiveness of financial knowledge into behaviour and financial behaviour into knowledge is yet to establish. Lusardi and Mitchell (2013) find that measuring the causal relationship between financial literacy and behaviour is difficult. For example, Horwitz (2015) finds that poor financial literacy affects financial behaviour negatively. It means that the person who has little knowledge and skill of financial matters may lose financial opportunities in the market. The poor financial behaviour is the unwise use of money.

Therefore, the reviews summarize that financial education has a positive contribution to financial literacy. Financial literacy of a person shows a minimum level of financial understanding and skill s/he needs in regular financial activities. But, it is difficult to explore a golden standard for a minimum level of financial literacy fit for all. This is a contextual and relative matter. Knowledge and ability in financial matters indicate two major financial behaviours, i.e. operational financial activities and search of alternative personal financial tools. If a person utilizes financial literacy in practice, there is a possibility of positive effects on financial well-being. Financial knowledge contributes to financial literacy and goes beyond analysing financial better-off for the future.

Theory of Planned Behaviour

There are two channels through which the financial literacy may contribute financial behaviours; by forming the intention and directly through attitude. The first one is the readiness and the second one is the judgment of the situation. The intention is the readiness of doing the job that comes when the person judges a situation and assesses the need for doing something. Conner, Rodgers, and Murray (2007) argue that conscientiousness has significant influence in connecting attitude and behaviour. The human behaviours are psychologically affected by carefulness, self-dependence, mentally alert and sensitiveness and thus these influence their behaviours. The interplay between positive attitude and good intention increases the likelihood of good behaviours accordingly.

In this connection, Conner et al. (2007) describe the theory of planned behaviour that the activities of the individuals are affected both by perceived behavioural control (PBC) and through the formation of the intention. Perceived behavioural control highlights that the behaviour might both be easy and difficult. Therefore, individuals desire to neutralize the difficult behaviours. Financial literacy has also two possible roots to influence financial behaviour, i.e. by forming the financial intention and by affecting the financial attitude. There is a nominal scale developed to measure personal attitude like Likert scale. However, measuring intention in scale is a difficult job.

Moreover, Bagozzi, Baumgartner, and Yi (1989) opine that sometimes people cannot necessarily generate a good intention whether s/he has a positive attitude. It indicates some lapses between attitude and intention. Social norms and part of behaviours may cause those lapses. They argue that attitude affects behaviour indirectly through intention. The intention is more contextual than the attitude, i.e. attitude is relatively a long term mental determination to act than the intention. Therefore, it is clear that the intention is closer to behaviour than the attitude. Ouellette and Wood (1998) opine that intentions, past behaviours and habits of persons affect current activities. Habit is a continuation of past activities, which a person desires to follow repeatedly. The habits are good and bad. In short, the intention is a function of attitude, subjective norms and climate of activities to do. The theory of planned behaviour shows one of the behavioural room within which financial behaviour has also space in showing how the individuals demonstrate their financial activities. In this study, the small

borrowers show their financial behaviour as financial attitude contributes. In these lines, the attitude is also affected by financial literacy. Such behaviours may be both operational and gradual.

Roadmap of the Study

A post-positivist research methodology is the epistemological direction of this study. Generally, post-positivistic researches are based on quantitative inquiries. Indeed, quantitative research is particularly important for research on financial literacy and education, since the fluency with numbers (for example, understanding the nature of compound interest, both in debt and investment) are the cornerstones of financial literacy (Parker, 2010). Considering the concept, the cross-sectional survey is used for data collection in this study with pre-structured questions. To measure the contribution, the following hypothesis is developed.

(H1): Improved financial literacy of small borrowers is more likely to exhibit good financial behaviour of the small borrowers.

Ways of Data Collection

Data in this study is collected by measuring financial knowledge, skill, and behaviour of the small borrowers. There are ten questions asked each for measuring financial knowledge and skill, whereas twenty questions are asked for measuring financial behaviour. The ten items used in measuring financial knowledge are about saving, loan, credit rate, share, dividend, tax, collateral, panel, discount and inflation. The ten items used in measuring financial skills are about the interest rate, tax, expenses, saving, instalment, business, risk review, continent, business and average. Similarly, the twenty items used in measuring financial behaviours are about credit use, statement, negotiation, risk, credit repayment, insurance, multiple credit, purchase plan, contingent expenses, liquidity management, business accounting, budgeting, financial plan, financial well-being, financial experience, separation of accounting, self-capital, documentation, business plan and income-expenditure.

Binary scales are used for measuring financial knowledge and skill. However, multiple option questions are used for measuring financial behaviours. Jang, Hahn and Park (2014) suggest a binary scale to measure an objective type of financial knowledge. While the financial knowledge and skills are measured, those are categorized into

ordinal data as high, medium and low on the basis of the total score. To measure the financial literacy, score method is used where the correct response is scored one and zero for incorrect and don't know the response. World Bank (2013) suggests the scoring method for measuring financial literacy of the people.

As Mireku (2015) advises, the financial literacy level is categorized into three; high, medium and low. In this study, the categorization high level is based on scoring 16 and above, medium level scoring between 12 and 15 and low-level scoring below 12, out of total twenty. Similarly, as Lusardi (2015) suggests, financial behaviours are categorized into three; good, moderate and poor. In this study, self-reported way (Koenen, Lusardi, Alessie, & Rooij, 2016) of collecting responses has been applied for measuring financial knowledge, skill and behaviour. Financial behaviour is converted into a binary scale on the basis of the median value for calculating the probabilistic contribution of financial literacy on behaviour. In this study, financial literacy is an independent variable and financial behaviour is a dependent variable.

Population and Samples

The study targeted the small borrowers of cooperatives as sources of information who are the small entrepreneurs also. Small borrowers, for this study purpose, are those who borrow up to NPR 500,000 from cooperatives. Nepal Rastra Bank (2015) has fixed the micro and small credit limit for the preceding fiscal year as NPR 500,000. To select the small borrowers as samples, the saving and credit cooperatives licensed by the Nepal Rastra Bank are selected. The Nepal Rastra Bank (2013) states the saving and credit cooperatives are also the micro-financial model in Nepal. There are 15 such cooperatives licensed by the Bank, among them six cooperatives are established in province number three of Nepal.

Among the six, two cooperatives capture more than 98 per cent of the population, i.e. small borrowers. Therefore, the two cooperatives established one in Kavrepalanchowk and another in Kathmandu district are sources of population and samples in this study. Out of total 20,586 small borrowers of the two institutions, 393 participants are selected as the representative samples by using the Yamane (1967) formula $n = \frac{N}{1+N(e)^2}$ (as cited in Bhattarai, 2015). Here, n is the sample size, N is the population size and e is the level of significance, i.e. 5 for this study.

Logistic Regression Model

In measuring the contribution of financial literacy on behaviour, a binary logistic regression model is used. Here, financial behaviour is dependent, financial literacy is independent and sex, marital status and income level are controlled variables. The expected model is as follows; Model: $\log(p) = B_0 + B_1(\text{Sex}) + B_2(\text{marital status}) + B_3(\text{income level}) + B_4(\text{financial literacy}) + e_i \dots (1)$

Where p = the probability of good financial behaviour of the small borrower

Sex = 1 if the participant is male, 2 for otherwise

Marital status = 1 for married participants, 2 for otherwise

Income level = 1 for less than monthly income NPR 6500, 2 for otherwise

Financial literacy = in the percentage of the total score

e_i = error term that helps to keep all the effects than the mentioned independent variables to dependent variables constant for the time.

Measurement of Financial Literacy

In this study, nine demographic variables are used to show the sample characteristics of the small borrowers. The variables are age, occupation, sex, education, marital status, ethnicity, religion, first language, and income level. The distribution shows heterogeneity in demographic variables and the number of participants. The proportion of male participants is 18.83 per cent, which shows a poor degree of male small borrowers. The proportion of participants who passed class twelve is below than ten per cent. It shows a poor situation of formal education of small borrowers in Nepal. The frequencies of the demographic variables are presented in Annex (Table 1). Self-reporting response method is used to measure financial literacy and behaviour in this research. The scoring technique is used to measure financial literacy, where score one is given for correct and zero for otherwise responses. The aggregate financial literacy result is shown in Annex (Table 2). The result shows that more participants fall under a higher level of financial literacy.

The finding shows that the numbers of participants scoring high, medium and low level of financial literacy are 180, 150 and 63 respectively. The result indicates that the financial literacy of small borrowers is in a better position. The reason for such a result

might be the counselling and orientation programs of the cooperatives about financial matters, services and institutions to their members. Other reasons for the result might be increasing access to people in information and communication technologies and group decision behaviour of the participants.

In a study, Clark, Lusardi, and Mitchel (2015) find an average of 80 per cent of financial knowledge of the participants. The survey is conducted among 3360 participants through email by using five-item questions with binary and multiple options. Klapper, Lusardi, and Oudheusden (2014) mention that a global study on financial literacy reports 71 per cent of the financial literacy level of youths in Denmark, Norway and Sweden. The same study reports only 18 per cent Nepali youths as financially literate. The survey study uses five questions about understanding and management of money for all the 140 countries including Nepal. The above studies help to draw a conclusion that the financial literacy score may achieve high if the questions are contextual and closer to the people's everyday business and financial practices. However, financial activities also provide financial knowledge.

Moreover, localized and practice-based financial understanding and skill questions could better measure the financial knowledge and skill. Similarly, the concept of traditional banking in which the people should go to the banks has been changed into banks should go to the people. In this, the agendas of access to finance and financial inclusion are also in the emerging phase. Use of financial technology (FINTECH) and information and communication technology (ICT) are also making the people aware and conscious in local financial matters. These endeavours have a positive contribution to making the people financially literate, which helps to better financial behaviours. Therefore, local tools for measuring local financial scenario, practice-based questions, group and collaborative financial activities made by micro-financial institutions and cooperatives in local areas are responsible for educating the small borrowers.

Contribution of Financial Literacy on Behaviour

This section presents calculation and analysis of the degree of contribution of financial literacy on behaviour. A binary logistic regression model is applied for the measurement purpose. Reed and Wu (2013) suggest the following three common assumptions to fulfil while applying the logistic regression to measure the probabilistic contribution of independent variables on the dependent variable.

1. Dependent variable necessary to be of dichotomous categories and nominal/ordinal data
2. The dichotomous categories necessary to be mutually exclusive and exhaustive
3. Need to be a larger sample size for maximum likelihood coefficients

Initially, the financial behaviour is measured as good, moderate and low. The categories are coded as 1, 2 and 3 respectively. To convert the multiple responses of financial behaviour into dichotomous categories, the median value is used from the initial dummy coding, where the median is 1.35. It means that those who score the median value 1.35 and below exhibit good financial behaviours and above the median value 1.35 exhibit poor financial behaviours. Now, the new categorizations of the financial behaviour as good and poor are derived to apply the binary logistic regression. The percentage of financial literacy score is used as the independent variable. Similarly, sex, marital status and income level of participants are used as control variables. The result of logistic regression is as follow.

As a model summary, an Omnibus test of the model coefficient shows that the model is fit ($p=.00$) in establishing the relationship between the dependent and independent variables. Similarly, Nagelkerke R square validates the relationship between predicted variables, i.e. financial behaviour of small borrowers with selected predicting variables. Value of Nagelkerke R square is .26, which indicates 26 per cent predictability of independent variables to the dependent variable. The summary of logistic regression is presented in Annex (Table 3), which shows the result of logistic regression in measuring the probabilistic contribution of financial literacy and some of the demographic variables to financial behaviour. The result shows that sex, marital status and income level are statistically insignificant. It indicates that these variables have no significant relationship with the financial behaviour of small borrowers. When the relationship between dependent and independent variables does not exist, the measurement of their contribution becomes useless. However, financial literacy is significant ($p=.00$) with financial behaviour.

The result shows that one per cent improvement in financial literacy increases the odds of improving good financial behaviour of small borrowers by 1.07 times. In other words, if the financial literacy of the small borrowers improved by 10 per cent, the possibility of improving good financial behaviour of small borrowers would be 10.7

times. Since the standard error is less than 2 in each independent variable, the model is free from multi-collinearity. From the analysis, the logistic regression model is developed as follow: $\text{logit}(p) = -4.55 + .07(\text{financial literacy}) + e_i \dots (1)$.

The model depicts that, other things remaining the same, the degree of improvement in financial behaviour of small borrowers depends on their increase in financial literacy score. The finding indicates that there is an interconnection between financial literacy and financial behaviour. The connection is measured by contribution index, which is 1.07. The contribution index is the degree of contribution of independent variables on the dependent variable. Therefore, the hypothesis (H1) of this study that improved financial literacy of small borrowers is more likely to exhibit good financial behaviour of the small borrowers is retained.

There are several studies consistent with this finding. Shim, Barber, Card, Xiao and Serido (2009) argue that positive financial behaviour is the indicator of healthy financial behaviour. They further find that financial knowledge contributes to financial behaviour directly rather through financial attitude and perceived behavioural control. In this study, knowledge is the major attribute of financial literacy. However, knowledge only is unable to estimate the behaviour. The finding of this study is also consistent with Bayrakdaroglu and San (2014), which also find that a point increase in financial literacy level increases 1.1 times the probability of improved financial behaviour. This positive index of the contribution shows that the financial literacy of the participants is one of the decisive factors to contribute to financial behaviour. Similarly, Mandell and Clein (2007) find that financial literacy score significantly contributing to saving behaviour.

Collins (2010) and Jariwala (2013) also find a positive effect of financial literacy in behavioural change, where the effect rate is 38 per cent. In the same line, Fernandes, Lynch, and Netemeyer (2014) also find that financial literacy predicts 0.1 per cent variance in financial behaviour. However, the later finding depicts a slower effect than the former. But, Calcagno and Monticone (2014) claim that poor financial behaviour is not necessarily always caused by a low level of financial literacy. It means that financial behaviour was not merely affected by financial literacy; there might be several other factors. Some of the possible other factors are the supply of financial services, income and consumption patterns, financial cultures and traditions, laws of wealth accumulations, tax policies, level of the national economy, etc.

From the above analysis, it is concluded that financial literacy is one of the important condition for improving the financial behaviour of the participants. The contribution index is the indicator for the conclusion. The index signals that there may be other factors that contribute to financial behaviours of small borrowers. Similarly, as the theory of planned behaviour shows the behavioural impact of attitude formation, financial literacy and attitude affect financial behaviours of small borrowers. In this study, the small borrowers show their financial behaviours as they form the financial attitude. Such financial behaviours may be both operational and gradual. However, the contribution of financial literacy on operational and gradual financial behaviours is yet to study separately.

Conclusion

This study concludes that there are theoretical and empirical interconnections between financial literacy and behaviour. The discussion connects the policy implications of such studies both in the areas of education and finance. The study suggests that improving the financial literacy of small borrowers is a necessary condition for seeing improvement in their financial behaviour. This, in turn, would contribute to improving the financial well-being of the small borrowers. There is a significant role of education, Medias, social institutions, demonstration, training, and counselling and experience of the financial matters to change the level of financial literacy of the small borrowers. Additionally, this study helps to connect financial behaviour within the broader spectrum of human behaviours from the perspective of the theory of planned behaviour. Therefore, educating the people about financial matters and institutions can contribute their financial activities and thereby increases the likelihood of improvement in financial well-being. The degree, direction and contents of financial education are relative, contextual and place-specific. Proper financial education is necessary to change personal financial literacy, attitude and behaviours. The government, central bank and financial service providers are responsible to provide financial education for improving financial literacy. However, the issue of financial literacy is a cross-cutting both in education and finance, efforts should be prioritized from both sides.

Note

¹ This paper is drawn from my PhD thesis.

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