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Financial Literacy on Business Students in Gaza Strip

الوعي المالي لدى طلبة كليات التجارة والاقتصاد في قطاع غزة

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إقرار

أنا الموقع أدناه مقدم الرسالة التي تحمل العنوان:

Financial Literacy on Business Students in Gaza Strip

الوعي المالي لدى طلبة كليات التجارة والاقتصاد في قطاع غزة

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بناءً على موافقة شئون البحث العلمي والدراسات العليا بالجامعة الإسلامية بغزة على تشكيل لجنة الحكم على أطروحة الباحثة/ ندى أنور محمد صرصور لنيل درجة الماجستير في كلية التجارة/ قسم إدارة الأعمال وموضوعها:

الوعي المالي لدى طلبة كليات التجارة والاقتصاد في قطاع غزة

Financial Literacy on Business Students in Gaza Strip

وبعد المناقشة التي تمت اليوم السبت 20 ذو القعدة 1438 هـ، الموافق 2017/08/12م الساعة الحادية عشر صباحاً في قاعة مبنى طبية، اجتمعت لجنة الحكم على الأطروحة والمكونة من:

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وبعد المداولة أوصت اللجنة بمنح الباحثة درجة الماجستير في كلية التجارة/ قسم إدارة الأعمال. واللجنة إذ تمنحها هذه الدرجة فإنها توصيها بتقوى الله ولزوم طاعته وأن يسخر علمها في خدمة دينها ووطنها.

والله ولي التوفيق ،،،

نائب الرئيس لشئون البحث العلمي والدراسات العليا
أ.د. عبدالرؤوف علي المناجحة

Abstract

The study of financial literacy on business students in Gaza Strip aims to highlight the financial literacy level of students, though, examines in multiple university the financial literacy of bachelor senior students who are at the fourth level and postgraduate students (master). Although, the study illustrates how financial literacy significantly associated with socio demographic characteristics, financial education, financial behavior and experience, family background and financial status, and social capital. The study employs mixed research methodology in which an administered questionnaire was distributed to 348 university students (Islamic University, AL Azhar University, Al Aqasa University and University of Palestine), and used focus group tool to validate and justify questionnaire results.

The results analysis finds that students' interest for obtaining financial information is very low, also a high level of risk aversion shown by the respondents, which reflects a low level of financial literacy. The students are not bridging the gap between financial knowledge they have and local financial market, in which an obvious lack of information about local financial institutions, in addition to a high trend to trust informal financial parties. Unfortunately, results show a critical red flag of warning regarding the lack of understanding the basic financial concepts (inflation, simple interest rate calculation and portfolio diversification). Moreover, the results find that family background and financial socialization play a significant role in shaping family members' financial literacy weather intentionally or spontaneously. Although, using financial services or have financial obligations and committing in making payments reflects a high level of financial literacy as financial knowledge has been obtained through personal experiences. Finally, the study finds a significant correlation between financial literacy and having financially literate social capital.

The study conducted focus group interview with some financial professionals which justify the study results and add meaning to the findings. Based on results analysis and focus group justification, researcher recommends that there is an insisting needs for; Firstly, enhancing the role of the universities in Gaza Strip in improving financial literacy through. Secondly, universities have to accommodate and match between financial courses content and the local financial market. Thirdly, it would be beneficial for students to communicate with professionals who work in financial institutions or who have financial experience. Fourthly, activate the role of the ministry of higher education in coordination between universities and imposing guidelines and systematic programs that help universities to improve students' financial literacy level. Fifthly, recommends financial institutions to enhance their role in improving students' financial literacy by conducting regular financial sessions and trainings. Finally recommends future studies to expand the range of study in light of the role of high education ministry, universities and financial institutions.

ملخص الدراسة

تهدف دراسة الوعي المالي لدى طلبة كليات التجارة والاقتصاد في قطاع غزة إلى تحديد مستوى الوعي المالي لدى الطلبة في قطاع غزة، ولتحديد مستوى الوعي المالي ركزت الدراسة على متغيرات عدة: الخصائص الديموغرافية الاجتماعية، الثقافة المالية، السلوك المالي، إضافة إلى الخلفية الأسرية ورأس المال الاجتماعي. وقد اشتمل مجتمع الدراسة طلبة البكالوريوس المستوى الرابع، بالإضافة إلى طلبة الدراسات العليا في مرحلة الماجستير في كليات التجارة والاقتصاد. ولتحقيق هدف الدراسة قد استخدمت الدراسة منهجية مختلطة حيث تم توزيع استبانة على 348 طالب وطالبة جامعيون يدرسون في كل من: الجامعة الإسلامية، جامعة الأزهر، جامعة الأقصى وجامعة فلسطين. وقد أجرت الدراسة مجموعة بؤرية مع بعض الخبراء الماليين، هدفت إلى شرح وتفسير نتائج الاستبيان.

وقد أوضح نتائج تحليل الاستبيان أن اهتمام الطلبة بالحصول على المعلومات المالية منخفض جداً، كما وجود مستوى عالي من الرغبة في العزوف عن المخاطرة لدى الطلبة، مما يعكس مستوى منخفض من المعرفة المالية. ووجدت الدراسة أيضاً وجود فجوة في الربط بين المعرفة المالية التي يحصل عليها الطلبة أثناء دراستهم وبين واقع سوق المال المحلي، مما أدى إلى افتقارهم للمعلومات المالية المحلية، والذي بدوره أدى إلى ميلهم وبشكل كبير إلى الوثوق بالجهات المالية غير الرسمية. كما وللأسف فإن النتائج أظهرت غياب الفهم الصحيح للمفاهيم المالية الأساسية وهي: التضخم، وحساب معدل الفائدة البسيط، وتنوع المحفظة الاستثمارية. وعلاوة على ذلك، توصلت النتائج إلى أن خلفية الأسرة الاجتماعية والمالية ووجود رأس مال اجتماعي واعي مالياً يلعبان دوراً مهماً في تشكيل الوعي المالي للأفراد بشكل مقصود أو تلقائي. إضافة إلى ذلك وضحت الدراسة أن وجود التزامات مالية يقوم أصحابها بسدادها بشكل منظم يعكس مستوى عالي من الوعي المالي لدى الأفراد.

استناداً إلى تحليل نتائج الدراسة وتأكيداً على توصيات المجموعة البؤرية، فإن الدراسة أوصت بالتالي: أولاً: ضرورة تعزيز دور الجامعات في قطاع غزة في تحسين الوعي المالي لدى طلابها. ثانياً: يتعين على الجامعات مواءمة محتوى المساقات المالية التي تدرس مع واقع السوق المالي المحلي. ثالثاً: ضرورة تعزيز التواصل بين الطلبة والخبراء الماليين أو الذين يعملون في المؤسسات المالية. رابعاً: تفعيل دور وزارة التربية والتعليم العالي في التنسيق بين الجامعات وتنظيم برامج لتحسين مستوى الوعي المالي لدى طلبة الجامعات. خامساً: أوصت المؤسسات المالية بضرورة تعزيز دورها وإجراء حلقات نقاش منتظمة ودورات تدريبية. وأخيراً أوصت الدراسات المستقبلية بتوسيع نطاق الدراسة لتشمل دور كل من وزارة التربية والتعليم العالي والجامعات والمؤسسات المالية.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

{يَرْفَعُ اللَّهُ الَّذِينَ آمَنُوا مِنْكُمْ
وَالَّذِينَ أُوتُوا الْعِلْمَ دَرَجَاتٍ}

[المجادلة: 11]

Epigraph

“The only way to permanently change the temperature in the room is to reset the thermostat. In the same way, the only way to change your level of financial success 'permanently' is to reset your financial thermostat.

But it is your choice whether you choose to change”

T. Harv Eker

Dedication

My humble effort is dedicated to,

- My parents, who I could never have done this without their Duaa', love, faith, support, inspiration and endless encouragement. Words are not expressive my thanks and gratitude for teaching me to believe in myself and my dreams.
- My family; Dalia, Yasmin, Mohammed, Yara, Abed Al Karim, Jobeer and Wafi, those who are my everything, my deepest and warmest gratitude for your always support and being you.
- My friends close to my heart, especially my life companion Aya Luzon for the unique experience, my university colleagues for your kind companionship and work colleagues for your support and make career life extraordinary experience.

يسعدني أن أهدي هذا الجهد المتواضع لأعلى الناس،

- أبي وأمي، لم أكن لأحقق هذا الإنجاز لولا القدر اللا محدود من الحب والدعم والإلهام والتشجيع، ودعائكم لي، كلماتي لن تمكني من التعبير عن عظيم شكري وامتناني لكم، أن أومن بنفسي وبأحلامي أمر تعلمته منكم وحقته بتوجيهاتكم.
- عائلتي الغالية (داليا، ياسمين، محمد، يارا، عبد الكريم، جبير ووافي) أنتم الأعلى، امتناني العميق وثنائي الحار لدعمكم وإيمانكم الدائم بي.
- صديقاتي ورفيقاتي أقرب الناس إلى قلبي، وأخص منهم بالذكر آية لظن شكراً لكم على التجربة الرائعة التي منحتوني إيها وللحظات المميزة التي قضيناها سوياً.
- وزملائي في العمل، على دعمكم وتشجيعكم وجعلكم تجربتي المهنية تجربة رائعة وغير عادية.

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List of Abbreviations

MBA	Master of Business Administration
OECD	Organization for Economic Co-operation and Development
USA	United States of America
UK	United Kingdom
GDP	Gross domestic product
IUG	The Islamic University of Gaza
AUG	Al Azhar University-Gaza
BA	Bachelor's Degree
PhD	Doctor of Philosophy
UP	University of Palestine
PCMA	Palestine capital market authority
PMA	Palestine Monetary Authority
UAE	United Arab Emirates
CPIS	Coordinated Portfolio Investment Survey
IMF	International Monetary Fund
DC	Defined contribution
FR	Federal Reserve
OEB	Office of Employee Benefits
ISM	Involvement in Saving Money
CSO	Central Statistical Organization
RBI	Reserve Bank of India
VAR	Vector Auto Regression
MFI s	Micro Financial Institutions
SHG s	Self Help Groups
DHS	Dutch Household Survey
TQM	Total Quality Management
SEM	Statistical Equation Modeling
SIP	Systematic Investment Plan
ULIP	Unit Linked Insurance Plan
INFS	International Network on Financial Education
EPS	Encuesta de Protection Social
HRS	Health and Retirement Study
IV	Investment Variables
OLS	Ordinary Least Squares
NIS	Israeli New Shekel
SPSS	Statistical Package for the Social Sciences
NGO	Non-Governmental Organization

Chapter 1

Introduction

Chapter 1

Introduction

1.1 Introduction:

Recently, financial literacy has given a great attention, as it is considered the key driver of the positive financial behavior. Researches on financial literacy approve that many factors such as socio-demographic characteristics, experience, and social capital may affect on individual's financial literacy. Financial skills become an insisting need more than ever before, as these skills play influential role in investment decisions, retirement planning, investment style, savings, borrowing and repaying decisions. Individuals are increasingly become active participants in financial market, however, the participation in the complex financial products is difficult to master especially for financially unsophisticated investors.

Financial literacy is the ability to understand how money works, the basic financial concepts, and manage savings, retirement planning, portfolio choice and investing decision. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions in his/her financial practice like savings, and investment of financial resources.

Distinctly, financial behavior is the most obvious evidence of having financial literacy, in which it is clear that people who less financially literate are found to be less likely to save, plan for retirement or participate in financial market, as a result people who possess higher financial literacy have better financial outcomes and efficient decisions. While, well financial behavior bases on well financial literacy and knowledge, financial knowledge in most cases bases on family background, in which individuals, whose their parents where engaged in financial activities are more likely to know about financial risks and other financial concepts. Although, parents teaching and orientation has influential role in improving individual financial literacy especially the practical teaching as in shopping and other economic socializations.

Financial literacy is alarmingly low among specific demographic groups, with age, education levels, employment status and gender as factors, therefore the study starts with reviewing the literature that examines into what extent people are financially literate? Lusardi and Mitchell (2011) find that financial literacy is very low

around the world, irrespective with the market development. While, many studies find that most of people neither understand the basic financial concepts nor perform simple calculations. The real financial literacy mostly examining in two dimension: understanding the financial knowledge and applying it in daily financial practices.

As Financial experience has a growing presence in term of interpreting individual's financial literacy. Studies reveal that individuals experience will affect on personal recognition of financial matters. In some cases, affordable childhood experience weather financial socialization with parents or in schooling channel may affect negatively on adulthood financial literacy, and vice versa. In other words, people who experience severe financial situation which will influence positively on their financial literacy and financial decision making.

Recently, social capital attains the researchers' paramount importance attentions in explaining financial literacy. As they find that individuals' peers have a key contribution in individual's financial information necessary for saving and other financial decisions. Having well-informed peers will orient individual's financial practices, in parallel with peers, social networking and trusting others will enhance financial literacy and improve financial behavior and decisions.

In short, today there is a global trend toward improving people financial literacy in which people is increasingly requiring to decide how much to save, where to invest, plan for retirement, and to take on responsibility for careful financial decisions of their assets while meeting their needs. This critical practices need a well financial literate individual who could utilize all available financial and non-financial resources in making financial decisions. And for so, this study will examine financial literacy and its influential factors such as socio-demographic characteristics, financial experience, family background, social capital and communication, and into which factors are related to financial literacy and effect on individuals' financial behaviors.

This study divided into six chapters, which are; Chapter one presents the study introduction. Chapter two presents the conceptualizing of financial literacy. Chapter three presents the literature review and previous studies. Chapter four presents the study methodology and results. Chapter five presents findings and data analysis. Chapter six presents conclusion and recommendations.

1.2 Study Objectives:

The need for the study arises as the irrevocable growing need to improve individual financial literacy, this study assesses individual financial literacy and the related factors, in the light of the main objectives the study aims to achieve the followings:

- Identify the level of financial literacy for business students.
- Identify the relationship between financial behavior and financial literacy.
- Identify the impact of Socio-demographic characteristics, family background, experience and communication and social network on students' financial literacy.

Although, this study has three other sub purposes; First, it provides evidence of personal finance literacy among college students. Second, it examines why some college students are relatively more knowledgeable than others. The analysis helps researcher to identify factors that determine the level of competency possessed by college students. Third purpose is to examine how a student's knowledge influences his/her opinions and decisions on personal financial issues.

1.3 Study Questions:

- What is the level of students' financial literacy?
- What is the relationship between socio-demographic characteristics and financial literacy?
- What is the relationship between financial experience and financial literacy?
- What is the relationship between financial behavior and financial literacy?
- What is the relationship between family background and financial literacy?
- What is the relationship between social capital and communication and financial literacy?

1.4 Study Hypotheses:

Main hypothesis:

- H 1: Households are financially literate

Sub-hypotheses to test the main hypotheses:

- H 2: There are statistically significant differences at 0.05 level among the respondents toward “financial literacy for Students at the faculty of Commerce” due to Socio-demographic characteristics
- H 3: Financial experience has statistical significant relationship with financial literacy at 0.05 level.
- H 4: Financial behavior has statistical significant relationship with financial literacy at 0.05 level.
- H 5: Family background has statistical significant relationship with financial literacy at 0.05 level.
- H 6: Social capital and communication have statistical significant relationship with financial literacy at 0.05 level.

1.5 Study Methodology:

This study employs a mixed research methodology where both quantitative and qualitative methods were used, in which to collect quantitative data a administered questionnaire tool has been conducted, while focus group interview has been used to collect qualitative data that validate quantitative results and add meaning to the questionnaire findings. The population of the study consists of senior bachelor students who are in the fourth level in faculties of commerce in universities in Gaza Strip (Islamic university, AL-Azhar university, AL-Aqsa university and University of Palestine) and all postgraduate students (master) in faculty of commerce in (Islamic university and AL-Azhar university). Based on universities statistics the size of the research population is (1594) students, while the research sample of 348 students.

1.6 Research Structure:

- **Chapter 1:** Introduction.
- **Chapter 2:** Conceptualizing Financial Literacy.
- **Chapter 3:** Literature Review and Previous Studies.
- **Chapter 4:** Study Methodology and Results.
- **Chapter 5:** Findings and Data Analysis.
- **Chapter 6:** Conclusion and Recommendations.

Chapter 2

Conceptualizing Financial

Literacy

Chapter 2

Conceptualizing Financial Literacy

2.1 Introduction:

This chapter briefly presents authors' definitions of the thesis subject, and the previous studies contributions in developing the notion of financial literacy. In which the concept, importance, definition and development of financial literacy are presented. Furthermore, it shows that financial literacy is a concept receiving much attention in the debate around the world, in parallel the development of the financial literacy concept has been grown throughout the years. The ability to manage personal finances has become increasingly important in today's world, therefore, people must be ready for future plans and businesses, for their education and career and for unexpected financial challenges especially people who live in unstable economy. Also they must decide on short-term savings and borrowing for a small staff or business, a down payment for a house, a car loan, and other big items. Generally, they must manage their own life needs.

Firstly, this chapter gives a brief background about financial literacy and the importance of improving individuals' financial literacy to enable them handle their financial challenges and make informed financial decisions based on well-equipped financial knowledge. Secondly, the chapter mentions financial literacy definitions that have been developed by authors throughout the years. Thirdly, shows how authors studies developed and realized financial literacy and mentions the correlations between financial literacy and influential factors, in which the study of financial literacy started to get a direct attention by authors in 1980s; when Sharon Danes (1987) examined students financial knowledge, and many other studies develop the concept throughout the years till today; Ronald P. Voipe (1996), Chen and Volpe (1998), Beal and Delpachitra (2003), Murphy (2005), OECD (2005), Bde Clercq (2009) and A. Lusardi, Mitchell, and Curto (2009b).

2.2 Financial Literacy Background:

Financial literacy refers to the knowledge and skills necessary to handle financial challenges and decisions in everyday life (Kim, 2012). In which, people who are financial literate are expected to make informed financial decisions and adequately equipped to deal with everyday financial situations and transactions. Consequently, financial illiteracy is a serious issue in an increasingly complex and sophisticated economic and financial world, as people are facing a confusing array of financial decisions and a growing number of sophisticated financial products.

Moreover, there is a substantial amount of recent literature discussing and documenting the level of financial literacy in some countries, and many organizations such as “Organization for Economic Cooperation and Development” exerting significant efforts in which the agenda of OECD places significant weight on the study and promotion of financial literacy among high school students. This organization argues that financial literacy will be increasingly considered as an essential life skill in the future, therefore, it would be better to educate young people as early as possible.

Nevertheless, several prior studies have shown that people with low financial literacy are more likely to have problems with debt (P. T. Annamaria Lusardi, 2009), less likely to participate in the stock market (Van Rooij, 2007), less likely to choose mutual funds with lower fees (Hastings, 2008), less likely to accumulate wealth and manage wealth effectively (Hilgert, 2003; Stango, 2007) and less likely to plan for retirement (Lusardi and Mitchell 2006, 2007a, 2009, 2009b). Additionally, financial literacy varies across particular socio-economic groups (Haiyang Chen, 2002), as the willingness to save is more among younger households with high levels of financial literacy (K. G. K. Dirk Brounen, and Rachel A.J. Pownall, 2016), although, many studies examined the effectiveness of financial education programs (Gale, 2010; Hathaway, 2008; Willis, 2009).

2.3 Financial Literacy Definition:

In simple and limited words, Adele Atkinson (2012) defines Financial literacy as:

“... a combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial well-being.”

While, Organization for Economic Cooperation and Development defines Financial literacy as:

“... knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life” (OECD, 2014).

In addition, Alvin J. Williams (2015) defines financial literacy as:

“... a measure of the degree to which one understands key financial concepts and possesses the ability and confidence to manage personal finances through appropriate, short-term decision-making and sound, long-range financial planning, while mindful of life events and changing economic conditions.”

While, Ani Caroline Grigion Potrich Kelmara Mendes Vieira (2016) conceptualizes financial literacy as:

“... a combination of the consciousness, knowledge, ability, attitude and behavior that are necessary to make financial decisions and, accordingly, to achieve individual financial wealth.”

Research in financial literacy has typically related individuals' knowledge of economics and finance with their financial decisions related to savings, retirement planning, or portfolio choice (P. T. Annamaria Lusardi, 2009). Although, Ani Caroline Grigion Potrich Kelmara Mendes Vieira (2016) contends that the term financial literacy has been frequently used as a synonym for financial education or financial knowledge. However, these constructs actually are conceptually different in that financial literacy is deeper than financial education; thus, using them synonymously can cause problems. As well Criddle (2006) asserted on that having

financial information is not only about establishing future savings or checking the bank account, it further includes the process of learning about choosing the appropriate financial objective from among several alternatives.

Previous studies shown that broad groups of the population are not financially literate; these people may be particularly unlikely and unable to manage their finances effectively and to plan adequately for their future (A. Lusardi et al., 2009b).

2.4 Financial Literacy Development:

As numerous studies have focused on how students realized financial concepts in their daily decisions and evaluated their financial literacy dimensions separately.

Sharon Danes (1987) surveyed 323 college students from Iowa State University using a questionnaire covering knowledge of credit card, insurance, personal loans, record keeping, and overall financial management. They find that the participants have a low level of knowledge regarding overall money management, credit cards, and insurance. They also find that males know more about insurance and personal loans, but females know more about issues covered in the section of overall financial management knowledge. Married students generally are more knowledgeable about personal finance.

While, Ronald P. Voipe (1996) focused on knowledge of investment, they survey 454 students from a state university in the Midwest and find that the average correct score of the participants is 44%, suggesting that they have inadequate knowledge. They also find that male students are more knowledgeable than female students, and business majors are more knowledgeable than non-business majors.

However, Chen and Volpe (1998) examined the personal financial literacy of 924 college students from 13 campuses located in the USA. In addition, they investigate the relationship between the financial literacy level and gender, age, nationality, race, income, work experience, academic discipline, and class rank. find that lower levels of financial literacy are found among subgroups. They include those who are non-business majors, in the lower class ranks, women, under age 30, and have little work experience. It is also found that people with less knowledge tend to hold wrong opinions and make incorrect decisions in the areas of general knowledge, savings and borrowing and

investments. While there is little difference in their opinions regarding insurance, the less knowledgeable participants are more likely to act incorrectly.

Beal and Delpachitra (2003) surveyed 798 Australian students to determine the factors influencing their personal financial literacy scores. The survey found that gender, work experience and income level contributed to higher levels of financial literacy.

Murphy (2005) assessed the influence of race, gender, age and parental education level on the financial knowledge of undergraduate students in the USA. The survey was conducted among 277 students, and the analysis of variance results showed statistical differences in the mean personal financial literacy scores for all the previously mentioned variables except race.

The study of the OECD (2005) reviewed financial literacy in 12 countries including the USA, the UK, European countries, Australia, and Japan based on all of the surveys conducted in those countries concluded that financial literacy is very low for most respondents.

Bde Clercq (2009) investigated the impact of age, gender, ethnic background (home language and race) and level of income on the financial literacy knowledge of undergraduate chartered accountant students at the University of South Africa (Unisa). The survey was conducted among 902 students, and the analysis of the results indicated gender as one factor that influences the level of financial literacy: males were more financially literate than females. Age, like gender, was another factor pinpointed as one that influences the level of financial literacy, with the 30 to 39 age group being the most financially literate.

In addition, to several recent studies examine individuals' financial literacy particularly students and young people which mostly find that people have low level of financial literacy. Similarly, A. Lusardi et al. (2009b) conducted a survey of financial literacy among 23-28 year olds in the United States and found that 80% of respondents were able to calculate compound interest rates, 54% understood the concept of inflation, and 47% were familiar with the concept of risk diversification. These authors argue that financial education courses should be given to young people before they enter university, since it is during their college years that they make their first transcendent financial decisions, such as taking student loans, apartment rentals, or cell phone contracts.

Chapter 3

Literature Review and

Previous Studies

Chapter 3

Literature Review and Previous Studies

3.1 Introduction:

This chapter presents authors arguments and some previous studies that are similar to this study.

The literature on financial literacy in general and of students in particular is too large to be covered here, so the study focus on studies that are directly related to the subject matter of the thesis, by summarizing the main findings of studies that have been discussed financial literacy and the influential factors on individuals' financial literacy; studied financial literacy of students, socio-demographic characteristics affect on financial literacy, how financial literacy is reflected on financial behavior, the relationship between family background and family member's financial literacy, the impact of financial experience on individuals' financial literacy and the contributions of social capital on individuals' financial literacy.

The literatures review presenting in this chapter are relevant to the thesis subject, which are presented in this chapter in four sections; The first section presents literatures arguments regarding financial literacy and influential factors; socio-demographic characteristics, financial behavior, family background, financial experience and social capital. The second section presents a brief background about the universities that are targeted in this thesis; Islamic University, Al Azhar University, Al Aqusa University and University of Palestine. The third section presents the studies that examine financial literacy and financial inclusion. The fourth section presents literatures arguments that develop the hypotheses of this thesis.

3.2 Financial Literacy of Students:

The needs for improving financial literacy of people in general and students in particular have been raised around the world, as several authors asserted on the importance of improving students' financial literacy, which enable them to face future financial challenges and achieve financial independence and wellbeing. In which, OECD (2014) found that the analysis of financial literacy performance among 15-year-olds will enable us to predict the financial literacy skills of adults in the near future.

On one hand, Buchanan (2014) showed that the financial crisis has revealed a need for improved financial literacy at all age and socio-economic levels. On other hand, A. Lusardi et al. (2009b) found that as all consumers have to confront complicated financial decisions at a young age in today's demanding financial environment, and financial mistakes made early in life can be costly. Young people often find themselves carrying high amounts of student loans or credit card debt, in which such early entanglements can hinder young people's ability to accumulate wealth.

OECD (2014) clarified that the types of financial decisions made by young people as they reach adulthood will vary and may include relatively simple choices, such as how to spend their weekly allowance, through to complex comparisons of different student loan products or credit cards. In order to make such decisions, they need relevant knowledge and self-confidence as well as a range of other basic skills including numeracy, reading ability and problem solving skills. Also, Vieira & Mendes-Da-Silva (2016) concluded that the level of financial literacy of university students has as a precedent the financial behavior, financial knowledge and financial attitude, with a higher impact from attitude.

However, regardless of country contexts, financial literacy has become a universally necessary skill for life and employment in today's world. it can therefore be used as an example of relevant life skills for international comparison (OECD, 2014).

The rapidly developing and challenging economies adhere people around the world to be ready to face financial obstacles which is mostly connected with unexpected circumstances. Therefore, it would be rational to consider students who are young and are going to face along array of future financial decisions, which require them to be well financially informed and knowledgeable.

3.3 Financial literacy and Socio-demographic:

The level of financial literacy varies within the same region, therefore, it is useful to know more about how it varies across particular socio-economic groups. Several studies found that there is a correlation between financial literacy and gender, age, academic and educational level. In which financial illiteracy is particularly severe among specific groups such as minorities and women. Young women are now more likely to have a college degree than men and participate actively in the labor market, yet their level of financial literacy remains very low (A. Lusardi et al., 2009b). However, Haiyang Chen (2002) dealt with this issue in the framework of financial information. They state that, women have less information than man and for this reason their confidence is low and they could not take the risk. Although, Adele Atkinson (2012) found that based on analysis of socio-demographics that women have much lower levels of financial knowledge than men in almost all of the countries studied.

In general, previous studies in the field of financial literacy indicated that gender has an impact on financial literacy levels in which, females are more likely to be less financially knowledgeable than males (Chen & Volpe, 1998; Chen & Volpe, 2002; Beal & Delpachitra, 2003; Murphy, 2005; Worthington, 2006).

However, contradicting with the studies found a significant correlation between gender and financial literacy, Wagland's (2009) research on Australian university students, found that gender is not a significant factor in financial literacy and risk taking. Similarly kindle (2010), Joe and Grable (2004) stated that there is no connection between the genders and financial literacy (Selim Arena 2016).

As highlighted in numerous studies such as (Lusardi and Mitchell, 2007 a, b; National Council on Economic Education, 2005; The Social Research Centre, 2008; Dvorak and Hanley, 2010; Lusardi et al., 2010) educational attainment plays an influential role in developing financial literacy, as who have higher educational attainment, have higher financial literacy scores.

Nevertheless, financial literacy and financial education are related aspects, in which according to the OECD (2012) financial education is a process whereby individuals improve their comprehension regarding financial products and their

associated concepts and risks in a way that from the information and recommendations given, the individuals can develop the abilities and the confidence important to make secure and fundamental decisions to improve their financial wellbeing (Vieira & Mendes-Da-Silva, 2016). Similarly, Anderloni (2010) defined financial education as a preventive measure, as it allows the individual to understand financial problems and manage his/her personal finances in a satisfactory way, thereby avoiding indebtedness.

In addition, regarding the necessity of financial education Jere R. Behrman (2010) asserted on the necessity of the speech of the U.S. President's Advisory Council on Financial Literacy statement (PACFL, 2008, np): "While the crisis has many causes, it is undeniable that financial illiteracy is one of the root causes... Sadly, far too many Americans do not have the basic financial skills necessary to develop and maintain a budget, to understand credit, to understand investment vehicles, or to take advantage of our banking system. It is essential to provide basic financial education that allows people to better navigate an economic crisis such as this one".

Asserting on the significant of financial education for individuals and for the financial literacy sources, A. Lusardi et al. (2009b) found that if financial knowledge is acquired from parents or via interaction and communication with others, there are groups who will not be able to benefit from these sources, as their parents or friends do not have college degrees or are not financially knowledgeable. In this respect, providing financial education in high school may be particularly beneficial to children from disadvantaged backgrounds. Although, A. Lusardi et al. (2009b) showed that financial literacy courses in school may be particularly helpful for those who do not have college-educated parents or whose parents do not have investing experience in stock exchange market.

Adele Atkinson (2012) found that there is a positive correlation between education and financial literacy. Higher educated individuals are more likely to exhibit positive behaviors and attitudes as well as supposed to show advanced levels of knowledge. However, it should also be noted that some people have high level of financial literacy despite low levels of education which indicating high levels of

financial literacy levels are possible even amongst those who have not completed formal education.

Furthermore, Dvorak and Hanley (2010), found in assessing the literacy of employees of a college, on their understanding of retirement plans and investment options, found education to be the most significant determinant of financial literacy. Further, the higher the educational attainment (from “high school” to “some college education” to “college degree” to “graduate degree”), the higher the financial literacy level (Salleh, 2015). Although, Grohmann, Kouwenberg, and Menkhoff (2015b) found that those who experienced a higher quality education would be more financially literate and show better numeracy skills, which accommodate with Chen and Volpe (1998) findings, that the lack of personal finance education, it is not surprising the results show that college students have inadequate knowledge on personal finance.

Shortly, studying finance and economy in particular as school courses, will support better comprehension of financial basic concepts, understanding of financial issues, enhance financial competencies, and contribute in achieving individuals wellbeing. Therefore, this study considers the necessity of financial education and asks respondents whether they are studying in faculties of finance and economy or not.

3.4 Financial Literacy and Financial Behavior:

A good financial behavior is the reflection of a well financial literacy and arguably the most obvious indicator. The positive individuals’ financial behavior reflects being financially literate which in turn contributes to individuals’ financial safety through making financial decisions that improve financial wellbeing. Asserting on that Adele Atkinson (2012) found that the positive outcomes from being financially literate are driven by behavior such as planning expenditure and building up a financial safety net; conversely, certain behaviors, such as over-using credit could reduce financial wellbeing.

As several studies found a significant correlation between financial literacy and financial behavior, Adele Atkinson (2012) found that people with higher financial knowledge exhibit more positive behaviors. Similarly, people with positive attitudes

towards the longer term exhibit more positive behaviors than those with a strong preference for the short term. However, the poor more than ever need a certain level of financial understanding to evaluate and compare financial products and services, such as bank accounts, saving products, credit and loan options and payment instruments (Nabeta, 2016).

Interestingly, saving behavior significantly related to financial literacy, in which Te'eni-Harari (2016) found that One of the skills that constitutes financial literacy is the ability to save financial resources for different purposes, such as preparing for a rainy day or saving up for a large purchase. However, the majority of people do not save at all in the developing countries, population consumption is increasing day by day. People will save more consciously as their level of financial literacy increases, which would reflect positively on the financial and economic growth and saving behavior, which is considered to be an important component of financial literacy, building financial security and reducing the reliance on credit. As the actual amount that a person can save and the length of time they can keep money to one side varies immensely, the financial literacy measure focuses exclusively on whether or not respondents save money (Adele Atkinson, 2012).

It is worth to be mentioned that regarding saving, many studies (Danes, 2008; Friedline, 2011; Holden, 2009; Metcalf, 2011; Pritchard, 1989; Webley, 2001) showed that young people's saving behavior has been found to be significantly related to factors such as; age in which studies had shown that older children save more money than younger children, future orientation in which the development of saving behavior is affected by the ability to understand the concept of temptation and the consequences of spending today on future opportunities, parents as families are important for learning about finance and play an important role in modeling saving habits and peers in which young people can learn financial concepts using real-life examples (such as using their allowance) and progress toward financial literacy, but not related to the number of hours a young person worked per week and their earnings (Te'eni-Harari, 2016).

If people have a negative attitude towards saving for their future, for example, it is argued they will be less inclined to undertake such behavior. Also, if they prefer

to priorities short term wants over longer term security then they are unlikely to provide themselves with emergency savings or to make longer term financial plans (Adele Atkinson, 2012). Therefore, the study concludes that financial planning could be the driven for saving behavior, in which the Certified Financial Planner Board of Standards (n.d., p.2) defines Personal Financial Planning or Financial Planning as the “process of determining whether and how an individual can meet life goals through the proper management of financial resources” (Salleh, 2016).

Nevertheless, raising financial literacy levels of societies and spreading saving awareness should be a priority among the economic and social policies makers of the countries. A World Bank study on financial literacy around the world by Xu and Zia (2012) revealed that financial literacy is correlated with having a bank account, especially in low-income countries (Nabeta, 2016).

The purpose of including this section in the study is to capture the students' preferences and their future perspectives, in terms of financial planning, such as savings and their level of impatience. As when individuals cannot manage their finances, it becomes a serious problem for the whole society, so this challenging issue needs to be addressed.

3.5 Financial Literacy and Family Background:

The first persons to influence a child are the parents, which is why the study considers the paternal financial status as potential determinants of financial literacy. A. Lusardi et al. (2009b) found that financial knowledge among the young is strongly influenced by family background, although they found that young whose mothers had a college education were more likely to understand inflation. Moreover, young whose parents had stocks or retirement savings when they were teenagers were more likely to know about risk diversification. Thus, financial knowledge can be passed on from parents to children.

Family background and education of the parents have been linked to a large number of educational attainments, as well as better lifetime outcomes such as higher lifetime earnings (Grohmann et al., 2015b). However, Gudmunson (2011) showed that sometimes parental education is not considered as being directly part of financial

socialization, but studies separate the effect of intentional teaching by parents and the general effect that parents' characteristics have on their children.

As the educational backgrounds of the mother and the father are improved, the economic opportunities and the family structures are affected positively. In which families who are in better economic conditions can show concern for the problems of their children and intervene to these problems on time and solve them. Therefore, having parents with higher education and better financial understanding improves children's financial literacy, while having parents with low education level and poor financial background will affect negatively on their children.

3.6 Financial Literacy and Financial Experience:

Financial literacy involves not only the knowledge, understanding and skills to deal with financial issues, but also non-cognitive attributes, such as attitudes, motivation and confidence. these attributes are applied in conjunction with financial knowledge and understanding to make the kinds of decisions about finances that can improve financial well-being and result in greater participation in the economy and society (OECD, 2014).

When P. T. Annamaria Lusardi (2009) studied financial literacy and especially debt literacy, found that the less knowledgeable pay a disproportionately high share of credit card's fees and finance charges. Specifically, as much as one-third of the charges and fees paid by the less knowledgeable are related to lack of knowledge versus other observable demographic factors. Asserting on that ,O. S. M. Annamaria Lusardi (2011) found that less sophisticated individuals who do not have a good grasp of interest compounding may engage in high-cost credit-card borrowing.

Although, Sherraden et al., (2011) found that a positive relationship between financial literacy and holding a financial product may be interpreted in different ways, and any causal link may go either way. on one hand, having greater financial knowledge and skills may motivate students to become engaged with formal financial products (instead of, for instance, asking their parents to look after any money they have). on the other hand, it may be that using a bank account is one way for students to learn about money (OECD, 2014). For instance, Peter Tufano and Annamaria Lusardi (2009) found a link between debt literacy and over indebtedness,

in which those with lower levels of debt literacy tend to judge their debt as excessive or report that they are unsure about the appropriateness of their debt position, even after controlling for many demographic factors. Not surprisingly, what you don't know can hurt you, for instance, before the financial crisis raged, more than a quarter of Americans judged their debt to be excessive. It is a believe, these results suggest that lack of financial skills is and continues to be a cause for concern (P. T. Annamaria Lusardi, 2009).

To sum up, people generally have a better understanding about the stock market after they have invested in stocks and that knowledge about buying a home increase after purchasing one. In other words, financial literacy is likely associated with financial experience. Those with more financial experience should exhibit greater financial knowledge (Kim, 2012).

3.7 Financial Literacy and Social Capital:

Social capital is defined by Likewise, Bourdieu (1986) as “actual or potential resources linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition; that is, membership in a group” (as cited in Chowdhury, 2016). While, Natamba (2013) mentioned that, Putnam (1993) found that social capital refers to “networks, norms and trust that facilitate cooperation for mutual benefit”, furthermore definitions; according to Nahapiet and Ghoshal (1998) define social capital as “networks of relationships constitute a valuable resource for the conduct of social affairs and much of this capital is embedded within networks of mutual acquaintance”. Dusuki (2008) and Claessens (2005) argue that social capital, an outcome of social intermediation, gives rise to trust. Nevertheless, other significant definitions by authors are; Chowdhury (2016) definition of social capital which is “good will, fellowship, sympathy, and social intercourse among the individuals and families who make up a social unit” and the definition of Evaristo (2016) “a durable network of institutionalized relations”.

Interestingly, studies of social capital conclude that social capital creates source of information among people with shared characteristics. In which, Natamba (2013) found that social capital could be the created information asset reduces

information asymmetry, increases level of awareness and transparency, which, in turn enable the communities to gain access to financial services. Although, OECD (2001) contends that social capital creates networks with shared norms, values and understandings that facilitate co-operation within or among groups (as cited in Chowdhury, 2016). Social capital is thus known as a foundation of group lending model because it creates social collateral, which compensates for lack of material assets in group lending arrangements (Natamba, 2013).

It's worth noting that Chowdhury (2016) found that, social capital can be embodied in the smallest and most basic social group, the family, as well as the largest of all groups, the nation, and in all the other groups in between. However, Kafouros (2016) found that social capital as networks in which individuals and institutions, and the individuals embedded in these, share and receive information, contacts, interests, favors, or other items that enhance each actor's value at both ends of the transaction and thus gives advantages to these actors that could not found outside such networks.

Although, past scholarly work (van Bastelaer,2000a,2000b;Woolcock,1999) indicates that social capital generates information channels, facilitates transactions and reduces costs in accessing financial services such as credit (Nabeta, 2016).

Throughout the years, the influence of social capital on financial literacy have been got attention by many authors; as several studies have investigated the importance of social capital in relations to financial literacy (Falk, 2000; Nahapiet, 1998; Schuller, 1998). However, Falk (2000) observed that, social capital available to the participants lies within the knowledge resources and the identity resources that are brought to the interaction by the participants individually and collectively. The subset of these resources used to achieve the desired objective of any specific interaction that contributes to the common purpose constitutes social capital (Nabeta, 2016). In addition, several studies of saving and financial decision-making (Hong, Kubik, and Stein 2004; Brown et al. 2008), showed peers are one of the key contributors of information and financial advice (A. Lusardi et al., 2009).

Whereas, social capital in general facilitate access to information, subsequently it leads to make reliable decisions. Epstein and Schneider (2008) showed that

investors adjust their portfolios more and hence trade more frequently, when they acquire information from a reliable source. Financial advice from professionals has a positive impact on trading, as it allows investors to better analyze their own skills and, therefore, leads to more rational trading decisions (Fischer and Gerhardt, 2007) (as cited in Iqbal, 2016). However, the childhood experience could be crucial because financial incidents that happen within catalyst that leads to better financial literacy and behavior for adults (Kim, 2012). Asserting on the role of social capital Nabeta (2016) found that social capital of the poor inform of trust and networks, acts as a substitute for lack of physical collateral in order to enable access to financial services.

This assertion pre-supposes that social capital plays a mediating role in the relationship between social intermediation and access to financial services (Natamba, 2013). Therefore, it's obvious that social capital including relatives, peers, and professional acquaintances facilitates learning through both knowledge and skills acquisition during interactions within networks, which in turn play acritical role in improving financial literacy and subsequently enhancing financial inclusion.

3.8 The Reality of Local Financial Literacy and Financial Inclusion:

Palestine Monetary Authority plays a vital role in enhancing social development and improving individuals' financial inclusion. Considering such critical issue by PMA contributes significantly in achieving financial stability and economic development for the society, at the same time, arising the issue of individuals' financial inclusion facilitate access to the financial information and services which satisfy individuals' needs. Although, it preserves individuals' right of obtaining financial information needed for their financial decisions.

Recently, PMA builds national strategy for financial inclusion that includes assigning a steering committee of 13 members from public, private and NGOs institutions with cooperation with PMA and PCMA. This strategy has been defined based on the result that have been obtained from MAS study which conducted by Palestine Economic Policy Research Institute- MAS and The Palestinian Central Bureau of Statistics which found that financial inclusion in Palestine is 36.4%. Furthermore, PMA has also carried out several largescale projects, despite financial and administrative resource scarcity. Also, PMA executed several financial

awareness campaigns, for instance, the Child and Youth Banking Week, although, PMA launched a campaign encouraging every citizen to open a basic account (the Basic Account Campaign), which culminated in 80,000 new bank accounts opened, including among low-income beneficiaries.

According to **PMA - Annual Report 2015- Promoting Financial Inclusion (October. 2016)**. The Palestine Monetary Authority and the Palestine Capital Market Authority (PCMA) conducted study which aims to promote financial inclusion and banking awareness as well spearhead the establishment of the National Strategy on Financial Inclusion, in partnership with stakeholders. A field survey was distributed among both the supply side and the demand side across all segments of the society. The study was executed by the Palestine Economic Policy Research Institute, while, work to create the working sub-committees and assign tasks concerning the preparation of the strategy is underway. At the same time, both the Steering Committee and the Technical Committee held their meetings according to the terms of reference and tasks assigned to each.

The survey results beside the collaborative efforts from all stakeholders leads to define strategy seeks to bridge the financial literacy gap in the best possible manner by promoting consumer protection through the formulation of policies and guidelines to acquaint current and potential consumers with their rights and obligations, this strategy aims to ease access people from different social strata to use of the various financial services and products. The goals of the strategy include introducing the public to the importance and the modes of access and usage of financial services, thus enhancing the capacity of individuals to improve their social and economic situation and achieve social and financial stability.

Basic financial inclusion indicators in Palestine have revealed a large gap between the access to and the usage of financial products. While the percentage of adults with bank accounts has reached 60 percent, the percentage of adults using credit products remains at about 10 percent. This large gap may be attributed to a number of other key reasons: poor financial awareness and literacy, inappropriate products and services on offer with respect to the needs of the community, high cost of services and products, lack of both transparency and the disclosure of product terms and conditions, and the absence of basic consumer protection policies.

3.9 Previous Studies:

3.9.1 Arabic Studies:

Jarboui (2015), “Financial Literacy and Portfolio Diversification: An Observation from the Tunisian Stock Market”. The study aims to examine the lack of financial literacy as one probable factor explaining the low levels of portfolio diversification. In which investors’ biases have been measured by means of a questionnaire comprising several items, including indicators of investors’ portfolio fragmentation, financial literacy and socio economic variables. The sample of the study consists of 256 small investors actively trading on the Tunisian stock market. Based on the results the study suggests that investors’ experience, financial literacy level, age, their use of the availability heuristic, familiarity bias and portfolio size have a significant impact on the diversity of assets especially their portfolios. At the same time, the study encourages governmental organizations to establish training programs aimed to develop the individual investor’s financial literacy level.

However, the main limitation of the study is the small size of the sample, in which a larger sample would have given more reliable results and could have enabled a wider range of analyzes.

Kalli (2009), “Financial literacy and investment decisions of UAE investors”. The study aims to measure the financial literacy and the factors that determine investment decisions. Therefore, the study modified and used questionnaire that used by Al-Tamimi (2006) and by the Monetary Authority of Singapore (2005). In which objective measures were used to assess the financial literacy level, while subjective measures were used to assess the effect of different factors on the investment decision, 600 questionnaires were distributed among UAE national investors, while received 304 responses. The study found that the financial literacy level is affected by income level, education level, age, and workplace activity. In which;

- High-income respondents hold high educational degrees,
- those who work in the field of finance/banking or investment had as expected a higher financial literacy level than others,
- financial illiteracy exists regardless of the age of the respondents.

Interestingly, a significant difference in the level of financial literacy was found as well between the respondents according to their gender, especially women have a lower level of financial literacy than men. Generally, the results indicate that there is a significant relationship between financial literacy and investment decisions, however, the most influencing factor that affects the investment decision is religious reasons and the least affecting factor is rumors.

The study recommends further studies to extend the scope of the study to cover the banking sector including Islamic banks as some people have no clear idea about the features of each type of bank, the conventional and Islamic banks.

Al-Tamimi (2006), “Factors Influencing Individual Investor Behavior: An Empirical study of the UAE Financial Markets”. The study aims to explore the UAE investor’s behavior, representing the first attempt to be undertaken in the UAE, and identify the most influencing factors on their investors’ behavior would affect their future policies and strategies. By surveying 343 individual investors, the study argued that six factors were found to be the most influencing factors on the UAE investor behavior. The most influencing factor was in order of importance: expected corporate earnings, get rich quick, stock marketability, past performance of the firm’s stock, government holdings and the creation of the organized financial markets. However, the study did not consider the relationship between financial literacy and investment decision, which will be dealt with in the current study

3.9.2 Foreign Studies:

John Gathergood (2017), “Financial literacy: A Barrier to Home Ownership for the Young?”. The study aims to measure household financial literacy related to mortgages, including concepts such as loan duration, interest compounding and amortization, by to examining whether a poor financial literacy is a barrier to home ownership, particularly among the young and whether a condition on home ownership, financial literacy affects the type of terms of mortgage products used by younger households. This study used a commissioned survey of a representative sample of English and Welsh households, a cross-sectional survey has access to a panel of 350,000 households and draws a sample of 2,000 households.

The study shows that the level of mortgage financial literacy among the young are generally low. Further results show that financial literacy affects mortgage choices of the young, which may have important longer effects on the financial positions of the young households entering the mortgage market. However, the financial literacy is better among homeowner than among renters which is true for both younger and older households. Although finds that young mortgage homeowners with lower financial literacy make mortgage choices that result on holding higher level of mortgage debt.

Vieira (2016), "Development of a financial literacy model for university students". The study aims to build and compare models that assess university students' financial literacy, to build such model the study investigated a random sample of 534 university students attending public and private universities in southern Brazil. The data were collected in an internal environment based on teacher availability and the contact with those students who were disposed to participate. Based on the analysis of the collected data the study found that, in the model estimation stage, the scales for behavior and attitude have been reduced. Among all of the models estimated, the best adjusted model indicates that financial knowledge and financial attitude have positive impacts on financial behavior.

The implications of such findings are the urgent need to ratify and develop effective actions to minimize the problem of financial literacy. One of the possible measures to be taken is the inclusion of matters of personal financial management and financial literacy of the market in all courses, regardless of the area of education. An additional possible measure relates to the development and adoption of educational programs, which should promote personal financial literacy in all sectors of society.

As that the data are collected only in southern Brazil, which presents explicit peculiarities, such as an economic structure for services that is augmented by state and federal services a system that differs from other regions in Brazil. Therefore, different profiles should be examined using a larger sample. Regardless of study's limitations, this study is a pioneering study with respect to modeling financial literacy in Brazil. This topic can be improved, as the need for rigorous evaluation of financial literacy grows at the same speed as the creation of more complex financial products.

Selim Arena (2016), “Influence of Financial Literacy and Risk Perception on Choice of Investment”. This study aims to investigate the impact of financial literacy and general risk perception on financial investment preferences consisting of deposits, foreign exchange, equities and portfolio. Data were collected using survey method (collected via e-mail and in person) from 94 respondents who are university-educated young and living in Istanbul and participate as volunteers in the study.

Based on data analysis, the study found that there is no relationship between personality traits and the choice of investment. On the contrary, risk perception and level of financial literacy affect individuals’ investment preferences. As, risk averse investors are tending to have deposit, investors with a high propensity to take risks prefer respectively foreign exchange, equity and portfolio. However, a significant relationship between financial literacy and investment preferences has been identified. With considering simple as well as advanced level of financial literacy; if investors’ level of financial literacy is low, they prefer deposit and foreign currency. On the other hand, when financial level of literacy increases, investors tend to create a portfolio or purchase equity. According to the profile of the examined respondents, financial literacy does not change according to gender at the basic level. However, it was determined that advanced financial literacy was more in man than in women. Similarly, men tend to take more risk than women. surprisingly, marital status does not alone affect risk appetite, but that single women are more tend to take risk than married women.

Giofré (2016), “Financial education, investor protection and international portfolio diversification”. This study aims to investigate the effect of financial education on foreign portfolio investment. The study considered equity portfolio investments by 40 investing countries in 41 destination stock markets, for the period 2001–2008, that adopted the Coordinated Portfolio Investment Survey (CPIS), released by the International Monetary Fund (IMF). This survey collects security-level data from the major custodians and large end-investors (about 4,000 respondents). The study finds that higher investor financial education fosters international diversification, and that its role is particularly pronounced where information problems and monitoring costs are likely to be more severe, that is, in countries where protection of minority shareholders’ rights is weaker. Poor investor protection exacerbates the distance-aversion of foreign investors, thus deterring inward investment. This barrier can be

particularly relevant for less educated investors who indeed discard investment in less protective economies. If financial education permits easier access to foreign firms' specific characteristics, then highly educated investors might be ready to diversify their international portfolio in countries affording lower minority shareholder protection, while investors endowed with a lower financial literacy would avoid those countries demanding excessively high information costs

As this study uncovers an interesting empirical finding: highly literate investors tilt their portfolios towards countries relatively less protective of shareholder rights. This evidence points to a joint role of financial education and financial market regulation -two competing tools advocated by the literature as potential remedies to behavioral biases and information asymmetries- in explaining international equity portfolio investment.

Robert Clark (2016), “Employee Financial Literacy and Retirement Plan Behavior: A Case Study” The study aims to examine participation in and contributions to the Thrift Saving Plan, the System’s defined contribution (DC) plan, by administrative data on all active employees of the Federal Reserve (FR) System as a case study (a unique dataset on employees of the U.S. Federal Reserve (FR) System provided by the Office of Employee Benefits of the Federal Reserve System (OEB)) , in which the authors link to administrative records a unique employee survey of economic/demographic factors including a set of financial literacy questions. For this case study of FR employees, the focus on three measures of pension plan behavior: participation in the DC plan, the percent of salary contributed by those making contributions, and portfolio allocations by plan participants. Based on the analysis of collected data, the authors found that, firstly, despite the fact that this workforce is covered by both a DB plan and Social Security, a remarkably high proportion of employees participates in and contributes to the DC retirement plan. Secondly, the surveyed employees’ level of financial literacy is quite high compared to the general population. Thirdly, we confirm, as in other studies, that marital status, salary, tenure, and financial literacy are all predictors of participation and contribution levels to DC plans. Fourth, the most financially knowledgeable employees are more likely to participate in their pension plan, contribute a higher percent of their pay, and hold more equity in their retirement accounts. In general,

higher levels of financial literacy do appear to be associated with greater retirement readiness.

In sum, employer provided learning programs are shown to significantly impact employee retirement saving decisions and consistent with a lot of other research, higher levels of financial literacy are found to have a beneficial impact on retirement saving patterns.

Arceo-Gómez (2016), “Financial literacy among Mexican high school teenagers” The study aims to study levels of financial literacy among Mexican high school students between the ages of 15 and 18. The researchers of this paper designed a survey using the OECD methodology and Lusardi and Mitchell’s questions, in which the questionnaire was used to obtain information about the mathematical skills, financial behavior, attitudes of the population and about peer effects that influences their level of financial literacy. The survey was applied between November and December 2013 in 16 schools of Mexico City and the State of Mexico in which sample consists of 889 students. The results of the study show low levels of financial literacy among Mexican youth.

The survey is based upon the instruments developed by OECD and Lusardi and Mitchell’s approach. study results show low levels of financial literacy: 60% of the students surveyed understood the concept of inflation, 34.1 percent correctly answered the question about risk diversification, and only 31.7 percent correctly answered the question about compound interest. The OECD questions showed that less than 1 in 5 students understands basic financial concepts, around 57 percent get high scores on financial behavior, and about 70 percent have positive financial attitudes. In which under the Lusardi and Mitchell’s focus, and found that almost one-fifth of those surveyed did not have any idea of concepts like inflation, compound interest or risk diversification. Surprisingly, they did not find statistically significant differences between men and women. The study recommends including the same type of questions used in the paper in some sort of systematic national survey, like the National Financial Inclusiveness Survey. Another key recommendation would be to consider including financial education topics in the curricula for Mexican high schools.

Te'eni-Harari (2016), “Financial literacy among children: the role of involvement in saving money” This study aims to examine the role of involvement in saving money (ISM) to better understand children’s saving behavior and allow a deeper understanding of financial literacy processes among children (the first-grade). Data from secondary sources have been used in this study for analysis purposes. Data on certain demographic characteristics of states have been collected from various reports published by Central Statistical Organization (CSO), while other data on factories have been gathered from the annual survey of industries which published by Reserve Bank of India (RBI) on an annual basis.

The study finds that children with a high level of ISM expressed more positive attitudes toward saving, as well as more positive behavior with regard to saving. With respect to the factors that might explain the child’s level of ISM, in which decision-makers (governmental, legislative and regulatory entities) should consider ISM as a factor in improving the public’s saving indices, and think about the ways in which they could use the two important factors influencing ISM – parents and pocket money – as tools for increasing saving behavior among the young.

As this study attempts to measure the multi-dimensional concept of financial inclusion by a single index number, building such an index will facilitate comparison of states/countries for different periods and different states/countries of similar nature for same periods. Such multi-dimensional index would help to better understand the concept of financial inclusion by measuring it in a single number and can serve as an effective tool for policy makers/ bankers/ researchers. Additionally, this study will prove helpful for researchers who wish to study the relationship between financial development and other macroeconomic variables.

This study recommended that ISM to be investigated among other age groups and among children in different countries. A deeper understanding of the significance of this variable among younger and older children may be gained by investigating additional age groups, also enabling the study of differences between different age groups regarding involvement. Although, a comparative study among children from

different countries may well contribute to the understanding of the cultural contexts of ISM and provide important insights to augment the findings of the present study. A further recommendation suggested by the research findings is to examine ISM in the context of the effectiveness of finance-related learning programs. This variable may possibly contribute to a better understanding of the degree to which learning programs are successful among different students.

Sharma (2016), “Nexus between financial inclusion and economic growth Evidence from the emerging Indian economy”. The study aims to assess the nexus between the vast dimensions of financial inclusion and economic development of the emerging Indian economy during 2004-2013. In this study, vector auto-regression (VAR) models and Granger causality test were followed to test the main research question in Indian context. The data were collected on various dimensions of financial inclusion and economic development for the period 2004 - 2013.

Empirical results and discussion suggest that there is a positive association between economic growth and various dimensions of financial inclusion, specifically banking penetration, availability of banking services and usage of banking services in terms of deposits. Granger causality analysis reveals a bi-directional causality between geographic outreach and economic development and a unidirectional causality between the number of deposits/loan accounts and gross domestic product. The results obtained favor social banking experiments in India with a deepening of banking institutions. Based on the results the author recommends that, the government and policymakers must look to address policy issues to foster economic growth through financial inclusion. Future research studies must validate these findings in light of the role of micro-financial institutions (MFIs) and self-help groups (SHGs). This study focuses on the Indian economy, and therefore, the findings are limited only to the Indian and emerging economies. However, Future research must focus on cross-country analysis to generalize these findings in a broader perspective

Holmen (2016),"Breaking the ice of low financial involvement Does narrative information format from a trusted sender increase savings in mutual funds?". The study aims to investigate how trust in the sender of financial information and a narrative vs fact-related format of the information influence intentions to save in a mutual fund. The study made two experiments to collect data, in which, in Experiment 1, 186 undergraduates participate and in Experiment 2, 434 Swedish citizens between 18 and 70 years randomly chosen from a consumer panel. In both experiments participants are randomized to two conditions in which they are presented with the same information about a mutual fund in a narrative or a traditional fact-related format. In four different between-groups conditions crossed with information format, pre-tested descriptions of different fictitious banks are presented. The descriptions are combined in a fractional factorial design such that one bank is low in the three trust determinants of competence, benevolence and transparency, whereas the other three banks are high in one of the trust determinants but lower in the others. In both experiments the narrative compared to the fact-based information format increases positive affect, interest and intention to save. Trust in the bank has an independent effect of increasing the intention to save. Based on the experiments result the authors recommended that the narrative format of financial information may be key to increase involvement in financial choices but needs to be supplemented by a message that reinforces the positive affect and interest evoked by the format.

Nabeta (2016),"Social Capital: Mediator of Financial Literacy and Financial Inclusion in Rural Uganda". The study aims to explore the mediating role of social capital in the relationship between financial literacy and financial inclusion of poor households in developing countries with a special focus on Uganda and provide data for policy-making.

The study adopted a cross-sectional research design to answer the hypotheses developed under this study. The population consisted of 17,464 poor households drawn from two sub-counties of Kyampisi and Goma in Mukono district, in which a total sample size of 375 poor households arrived at using Krejcie and Morgan's (1970) table for determining sample size was used for this study. Based on the analysis of the collected data the paper indicate that financial literacy can be boosted

by the presence of social capital, which helps in bringing the poor together bounded by norms of obedience to enable them have access to and use of formal financial services. Although the findings clarified the critical role of social capital in mediating and enhancing sharing of scarce resources including knowledge and skills obtained by poor households during financial literacy drive.

For researchers, the authors recommended that future investigations may adopt the study of social capital as a mediator in financial literacy and financial inclusion relationship among other vulnerable groups such as migrants, disabled, new immigrants, elderly and illiterate people. Besides, researchers should always endeavor to consider the impact of a third variable in relationships that exist between study variables to achieve meaningful interpretation.

However, of the significant contributions of the study, it focused mainly on a cross-sectional design, thus limiting the study. Besides, the study paid more attention to quantitative approach through use of close-ended questionnaire, thus ignoring qualitative study through interviews. Furthermore, the study examined mainly poor households from the consumer side, leaving out financial institutions' staff from the supply side. More so, this study was carried out in Uganda, thus limiting the findings to only poor households in this context. Therefore, future research may adopt longitudinal design to investigate the mediating effect of social capital in financial literacy and financial inclusion relationship, use of interviews in studying the current phenomenon and include financial institutions' staff

K. Brounen and Rachel Pownall (2016), “Household Financial Planning and Savings Behavior”. The study aims empirically to investigate a wide series of household backgrounds and personality variables to help explain behavioral factors, which lead households toward savings and financial planning a cross a panel of 1253 Dutch households, the used data gained from the 2011 Dutch National Bank Household Survey (DHS is a long standing, annual household survey that includes extensive information about demographic and economic household characteristics, focusing on wealth and savings data).

Based on data analysis the study results also offer evidence that savings behavior is influenced by a broader set of psychological and behavioral metrics.

Respondents who are financially interested, who keep a tight household administration, who have a strong locus of control and who have a positive economic outlook are all more prone to postpone immediate consumption for the sake of future needs. Also results show that a strong locus of control may well be more important to nurture a future willingness to save and emphasizing an internal locus of control will not be easily achieved, not by simple means of information. In addition, the study test whether the same results can account for stock market activity, as financial savings are not the only means for household financial planning. Stock market activity is more common among the younger households that have higher incomes, higher financial literacy and are more willing to take risks. But also when it comes to stock market activity, the study shows that individual psychological and behavioral variables matter. Households are more likely to invest their wealth in stock markets, whenever they believe that future outcomes are not the outcome of chance nor luck alone.

However, based on the findings the study recommended for the policymakers that a lot of policy attention has been targeted at fostering financial literacy, which is achieved mostly by educating and informing citizens. While further research is needed to explore ways in which future policy can be designed to nudge households into planning their own financial future, given that their psychological profile does not trigger this automatically.

Hassan (2016), “Bridging Islamic Financial Literacy and Halal Literacy: The Way Forward in Halal Ecosystem”. The study aims to bridge the Halal Literacy and Islamic Financial Literacy on the attitude of Halal business producers towards Islamic financing adoption. In which the study used qualitative and quantitative methodology, and based on quota sampling technique 200 respondents were chosen to answer questionnaire. In which the respondents are business owners of food service companies or person who have financial decision power in the companies in Malaysia

The paper found that the integration between Halal and Islamic finance through the study on halal literacy and Islamic financial literacy as factors affecting the attitude of halal business owner towards adopting Islamic financing for the business.

The level of literacy on Halal and Islamic finance will be assessed to know the impact on halal business owners' attitude towards Islamic financing adoption. The halal literacy itself may not be sufficient to determine the positive attitude towards Islamic financing. By bridging halal literacy and Islamic financing literacy, it may give a clear picture how both factors linked each other to affect the attitude of the halal business owner to adopt Islamic financing.

As the study is attempted to contribute towards new theoretical knowledge. The proposed measurement for Halal Literacy and Islamic Financial Literacy can help the policymaker in understanding the level of literacy among consumers, especially from Halal business producer's perspective. However, this study is limited to Halal business operators in the foodservice industry. The measurement should be implemented in other industry such as pharmaceutical, cosmetic, and other industries.

Munene (2016)," Institutional Frames for Financial Inclusion of Poor Households in Sub-Saharan Africa Evidence from Rural Uganda". This study aims to examine institutional frames of poor households in rural Uganda, these frames determine the behaviors and actions of poor households and thus their financial decisions and choices in the financial market. Therefore, the study adopted a cross-sectional quantitative research design in which a sample of 200 poor households was selected from Mukono District. The study finds that a person's regulative, normative and procedural and declarative cognitive frames significantly affect financial inclusion and/or exclusion of poor households in rural Uganda, so it's necessary for the poor households to be financially included, and there is need to have a holistic institutional approach that include the regulative (formal rules), normative (informal constraints), and procedural and declarative cognitive institutions geared towards poor households.

The study findings lead the authors to recommend that there is a need for systematic adjustments in key policy areas such as adjustment of financial institution act, in which the government through its regulative organ should ensure extending legal services to cover the rural areas in order to cater for the legal needs of rural poor households, as well financial institutions should consider norms and values in

the process of providing financial services, especially to poor households who greatly rely on societal normative institutions for actions and Government through the central bank (Bank of Uganda) should establish information and data center where poor households can obtain information about existing and potential financial service providers in order to promote financial inclusion.

Iqbal (2016), "Information sources and trading behavior: does investor personality matter?". The study aims to investigate the impact of sources of information on trading behavior by analyzing the influence of investor personality in Chinese futures market. A 333 individuals from Chinese futures market have been surveyed, those chosen individuals had some experience of futures trading, as they were more likely to understand and complete the questionnaire. Based on collected data analysis, the study confirms the previous findings that the sources of information used by investors as a foundation of their financial choices have a significant impact on trading frequency. The author also provides an empirical evidence that investor personality traits moderate the relationship between sources of information and trading behavior. Financial advice from professionals is likely to increase trading frequency in investors with neuroticism and openness personality traits, and to reduce trading frequency in conscientious and extravert investors. Similarly, financial information acquired via word-of-mouth communication results in more trading in extravert and agreeable investors. Finally, information acquisition from specialized press causes more adjustment of conscientious investors' portfolios. Theoretical explanations, implications and recommendations for future research are discussed. This research contributes to both information search literature and behavioral finance literature by providing an empirical evidence that the impact of main sources of information used by investors as a foundation of their financial choices is influenced by investor personality.

Author recommended that, in order to improve the effectiveness of information utilization, policymakers should understand the ability of potential investors to process information obtained from specialized sources. Also recommended that more research is needed in future to determine an extent to which psychological variables along with the variables in finance literature, e.g. overconfidence, financial

knowledge and portfolio diversification may promote or impede the association of information search strategies and trading behavior.

Lamb (2016), "Financial exclusion and financial capabilities in Canada". The study aims to explore the relationship between financial capability and financial exclusion with survey data collected from the Canadian city of Kamloops located in the southern interior of British Columbia, in which the data collected on the banking habits and financial capability levels of fringe finance users in a Canadian city. The snowball sampling technique was used in which the total respondents were 105 individuals.

The results indicate that financial capability levels are not statistically different between those who use fringe finance and those who do not when income is a control, suggesting that lack of financial knowledge does not explain the choice to use fringe finance.

The main limitation of this study was related to the limited sample size, therefore the author recommended that, further research is required to generalize the results of the current findings from one city in Canada. If the findings can be confirmed with a larger sample from a wider geographic area, it may be that more appropriate public policy aimed at increasing financial inclusion is required

Mehra (2016), "Financial Attitude Based Segmentation of Women in India: An Exploratory Study". The study aims to identify factors influencing the financial attitudes of Indian women and then classifying Indian women based on these attitudes. The study was conducted in the city of Nashik, India, in 2014-2015, using convenience sampling, in which a self-administered questionnaire was designed for collecting the data required for the study. The questionnaire was answered by 177 women who could read or understand English and were above 18 years of age. Based on collected data the study showed that only a third of the respondents did not buy any financial products. The most preferred financial products of Indian women were fixed deposits and insurance policies. Four clusters of women were identified, based on their financial attitudes judicious consumers, conservative consumers, acquisitive consumers, unsure consumers. These findings support the need for and provide important insights for the design and delivery of financial literacy programs. Across segments, family members seem to influence the

financial decisions of women. The internet is also evolving as an important source of information for most women.

The unique contribution of this paper is that it segments Indian women based on their attitudes. Despite this, it considers more factors by keeping the Indian context in view. As the study uses convenience sampling, which limits the generalization of the findings. The study was skewed slightly toward students, and was relatively a small sample. Therefore, authors recommended that, further research can be undertaken using probability sampling for further generalizing the results of the study on a larger sample. While this study has identified nine dimensions for measuring the financial attitude of respondents, other dimensions need to be explored.

Seyma Caliskan Cavdar (2015), “An Experimental Study on Relationship between Student Socio Economic Profile, Financial Literacy, Student Satisfaction and Innovation within the Framework of TQM”. The study aims to make a certain extent of contribution to the solution of the problems that hinder students from utilizing the services provided by universities, as the quality of the services provided by educational institutions is measured by the qualified work force, who graduate from these universities, the quality of education has utmost importance as a primary element that affects the quality of all sectors. The study survey questions are asked to determine students' expectations from universities and their opinions about the quality of services that universities provide. Inonu University students were given a questionnaire covering a period of 8 months. Students were selected by simple random sampling method, in which a total of 1004 students participated in the study. The study finds that there is a significant relationship between the mother and father's education level and the way students perceive the problems. This may be due to the reason that the parents with higher levels of education are more concerned with the problems of their children and consequently, students coming from such parental structures can more consciously analyze their problems. Nonetheless, the majority of students have insufficient financial resources, students that belong to nuclear families are more satisfied from the services provided and that the biggest problem of the youth is unemployment are the most important findings of this research. Although, a significant correlation has been detected between the social status of the family and the way students perceive their problems.

Additionally, a strong correlation was observed between the number of siblings and the satisfaction level of students from the cultural activities. Accordingly, it is impossible for the university administrators to improve the educational quality by ignoring the socio-economic characteristics of students while evaluating the problems of students. The university administration should better analyze the personal abilities, interests and problems of students in order to improve the quality of education and to prepare the infrastructure of an educational system based on innovation.

Based on the study findings the authors' suggestions for further research is , an in-depth financial literacy survey can be conducted to the university students in Turkey by taking the survey that professors from a variety of field prepare, with such a wide range of survey, developing a national strategy for financial education pioneered by the government and stakeholders could be possible, which would contribute significantly to the economic development of Turkey like in all other developing countries.

A. Lusardi (2015b) “Financial literacy: Do People Know the ABCs of Finance?”. The study aims to examine people ability to process economic information and make informed decisions about financial planning, wealth accumulation, debt, and pensions. Although finds weather individuals are well-equipped to make these types of decisions? As, do they possess the basic financial knowledge required for the many financial decisions they have now to make? The researcher uses survey questions which is specifically designed to measure comprehension of the ABCs -the basics- of finance as well as more sophisticated financial concepts. The researcher surveys people in the United States and in other countries around the world online in which the survey is answered by 989 persons.

Findings are sobering: Most individuals in the United States and in other countries cannot perform simple calculations and do not understand basic financial concepts such as interest compounding, the difference between nominal and real values, and risk diversification.

Filho (2015), "Financial Literacy in Southern Brazil: Modeling and Invariance between Genders". The study aims to fill this gap by developing a model that integrate financial knowledge, financial behavior and financial attitude to measure financial literacy of individuals in southern Brazil then testing the proposed model's invariance and the differences in the measures between female and male genders. This study surveys the resident population in southern Brazil with a random sample of 991 individuals, for an analysis of the collected data, Structural Equations Modeling (SEM) was employed. The valid model indicates that financial literacy is measured as a combination of financial behavior, attitudes and knowledge. In addition, the tests indicated that this model is adequate for both male and female. However, male individuals showed a higher level of financial literacy on average compared to females.

The limitations in this study is mainly related to the data collected that have been restricted to individuals in southern Brazil, which presents explicit peculiarities. Therefore, different profiles should be researched using a larger sample. Three constructs for financial literacy have been used, but other scales can be relevant. Nevertheless, this study can be considered a pioneer in the attempt to model financial literacy for Brazilians and develop an invariant model for both genders.

Grohmann et al. (2015b), "Childhood Roots of Financial Literacy". The study aims to conduct investigations about the influence of childhood experiences on financial literacy and financial behavior have meaning beyond our particular dataset. To collect data, the authors survey more than 500 people whose have been interviewed in face- to -face interviews from a broadly defined middle class in Bangkok, Thailand. Based on the analysis of the collected data the authors reveal two channels by which childhood experiences explain adults' degree of financial literacy: financial socialization by parents and the schooling channel. Financial socialization by parents has a significant positive influence on the financial literacy of their adult children. Having had parents who taught how to budget and encouraged saving, improves the degree of financial literacy by about 14%. Better financial literacy in turn is positively related to better financial decision making (asset diversification). The second channel by which childhood experiences explain financial literacy is schooling. Here the impact on financial literacy is indirect as better education at

school is linked to better numeracy, which in turn improves financial literacy. At the same time, the two schooling factors that we consider in our study also have a direct effect on good financial decision making. It may be reassuring to see that schooling helps in becoming capable of good financial decision making, although its effect on financial literacy is indirect.

Marwaha (2014), "Financial Literacy Level and Awareness Regarding Stock Market". The study aims to assess the financial literacy of the individual stock investors of Punjab who invest in the local financial markets by fulfilling the gap with other objectives which are identifying the ranking for the awareness of various investment options in stock market, identifying the financial literacy level of individual stock investors towards stock market traits and exploring if there is any significant difference in the financial literacy of the respondents regarding stock market traits across the demographics, that is, age, income, occupation, qualification. The study is mainly based on primary data collected from 100 individual stock market investors from Punjab. These investors were interviewed through a pre-tested, well-structured questionnaire which was administered personally. Weighted Average Scores and chi-square test are the statistical analysis used to carry out results.

Based on the results analysis the study concludes that investors in Punjab are highly aware of equity or common stock investment. However, individual stock investors have moderate level of awareness towards mutual funds followed by slightest awareness for ULIP's and SIP's and are least aware about Bonds, Derivatives, Futures, Options, Swaps, Commodities, Debentures. This study has a significant contribution in the field of financial services in which it would help financial service providers to provide more effective advice to the individual stock investors towards their stock market investment decisions. While the limitations of the study are related with the fact that individuals' financial well-being is incumbent on their actions. Although influenced by external forces such as economic factors and policy structures adopted by government and private industry, decisions are ultimately made by individuals.

Adele Atkinson (2012), “Measuring Financial Literacy: Results of the OECD / International Network on Financial Education (INFE) Pilot Study”.

The study aims to present the findings from an OECD International Network on Financial Education pilot study undertaken in 14 countries. The analysis focuses on variations in financial knowledge, behavior and attitude across countries and within countries by socio-demographics. A survey instrument that has been used to capture the financial literacy of people from very different backgrounds in a wide range of countries. The questionnaire is designed to be used in face-to-face or telephone interviews, in which each pilot country aimed to interview at least 1000 individuals, however, the sample size is about 19,212 respondents in total.

The findings of the study highlight reasons for concern. It appears that most people have some very basic financial knowledge, but understanding of other, everyday financial concepts such as compound interest and diversification is lacking amongst sizeable proportions of the population in every country. There is also some indication that certain respondents are over-confident, in that they have given incorrect responses rather than admitting that they do not know the answer. Furthermore, some countries need to work particularly hard to ensure that women are not left behind: women have lower levels of financial knowledge than men in almost every country studied.

Based on the results of this analysis provide evidence from which the participating countries can identify needs and gaps and develop appropriate national policies and strategies. The data provides a sound empirical evidence base from which to inform the current revision and elaboration of OECD recommendations on financial education, including the new high-level principles on national strategies for financial education (2012 Forthcoming). It will also enable researchers to inform the development of targeted financial education programs.

Jere R. Behrman (2010), “Financial Literacy, Schooling, and Wealth Accumulation”. The study aims to evaluate whether people who find it difficult to understand their financial environment are also less likely to accumulate wealth. Specifically, it examines the links between financial literacy, by which it means the ability to process economic information and make informed decisions about

household finances, and wealth accumulation and pension contributions. The primary data source is the Social Protection Survey (Encuesta de Proteccion Social, EPS) administered by authors in collaboration with the Microdata Center of the University of Chile (Arenas et al., 2008; Bravo et al. 2004, 2006, 2010). This survey is comparable to the U.S. Health and Retirement Study (HRS) that provides a nationally-representative stratified random survey on respondents over the age of 50. In contrast to the HRS, however, the EPS covers all adults, not just respondents over age 50. In what follows, we limit our attention to 13,054 prime-age respondents surveyed in 2006. The study analysis indicates that financial literacy and schooling attainment are both positively and significantly correlated with wealth, pension contributions, and retirement planning using models of Wealth and Pension Density, while the Instrumental variable (IV) estimates uncover an even stronger positive impact of financial literacy. They also indicate no significant positive effects of schooling attainment, conditional on financial literacy, in a linear specification, though the effect is positive when interacted with financial literacy.

There are several implications of the study findings. First, prior studies using OLS models to estimate the effects of financial literacy and schooling are likely to be misleading due to measurement error and unobserved factors. IV estimates indicate that financial literacy is at least as important, if not more so, than schooling, in explaining variation in household wealth and pension contributions. Second, the improved estimates of the impact of financial literacy are economically meaningful and potentially quite important. Third, the estimates indicate that some components of financial literacy, such as the HRS’ core’ questions, are particularly important. Fourth, this paper contributes to a growing body of research on the factors influencing peoples’ attachment to financial markets.

Lewis Mandell (2009), “The Impact of Financial Literacy Education on Subsequent Financial Behavior”. The study aims to assess a more direct link between financial literacy education and financial decision making, at the same time examine the differential impact on high school students of a personal financial management completed 1 to 4 years earlier. The study surveyed 79 recent high school graduates (Of the total respondents, 39 students had taken the course in personal financial management and 40 had not) from a single Midwestern school

system in which only a portion of the students had taken a well-regarded course in personal financial management. Based on the data analysis the study finds that a comparison of those who did and did not take the course does not demonstrate a meaningful positive impact for those taking the financial education course. This finding is evident in several different measures. After several years, those who took the course were no more financially literate than those who did not take the course, those who took the course did not report better financial behavior than those who did not take the course. On the other hand, positive financial behavior is associated with respondents who were full-time college students or graduates. This study has drawbacks which limit its findings; first, the results are based on a small sample size of 79 respondents. Additionally, although respondents attended three different high schools, the sample was drawn from only one school system. Also, it follows high school graduates only for the first five years after graduation, so that the respondents' ages ranged from about 18 to 23. This corresponds to a low earning period and occurs before the respondents have formed true adult behavior patterns. However, the findings of positive financial literacy scores and financial behavioral for those with a full-time college education may have resulted from receiving additional personal finance education.

Based on the findings and considering the paper limitations the authors recommended that future research should focus on determining teaching methods that enable students to understand the impact of financial decisions and/or the information that would improve subsequent financial behavior. Nevertheless, additional research with a larger sample and over a longer period of time is needed to more fully assess the value of financial education on subsequent financial behavior

A. Lusardi et al. (2009b), "Financial Literacy Among the Young: Evidence and Implications for Consumer Policy". The study aims to examine financial literacy among the young using data from the 1997 National Longitudinal Survey of Youth, and to explore how financially knowledgeable young adults are. Although to understand the factors that contribute to or detract from the acquisition of financial knowledge can help policymakers design effective interventions targeted at the young population. In order to examine how well equipped young people are to make

financial decisions, researchers analyzed financial literacy questions newly added to the National Longitudinal Survey of Youth fielded in 2007-2008, and used this rich dataset to study the relationship between financial literacy and respondents' socio-demographic characteristics, family characteristics, and peer characteristics.

The paper found that most of young adults are not well equipped to make financial decisions: only 27% of young people in our sample possessed knowledge of basic financial concepts including inflation and risk diversification and could do simple interest rate calculations. Financial illiteracy is not only widespread but is particularly acute among specific groups, such as women, Blacks, Hispanics, and those with low educational attainment. However, the researchers found that both educational attainment and cognitive ability are important determinants of financial literacy, but they are not the sole determinants. In fact, many variables continued to be important predictors of financial literacy, even after accounting for education and cognitive ability.

Volpe, Kotel, and Chen (2002), “A Survey of Investment Literacy Among Online Investors”. The study aims to examine online investors and their investment literacy and the relationship between the literacy and online investor characteristics. The authors argued that online investors should have more knowledge than normal investors to succeed in the securities markets, because they are more likely to be surrounded by financial misinformation and manipulation. Therefore, the authors examined investment literacy of 530 online investors and the difference in the literacy level among various groups of participants using age, income, gender, education, and previous online trading experience as variables. The study demonstrated that the level of financial literacy varied with people's education, experience, age, income, and gender. Particularly, women had much lower financial literacy than men and older participants performed better than younger participants. As well, online traders had higher knowledge than others. Moreover, investors with higher income had more knowledge in investment than those with lower income, and investors with college or higher degree performed better than those with low education.

3.10 Comments on Literature Review and Previous Studies:

As illustrated in the literature review, the study's object is related to the previous studies that examined the financial literacy. However, Purnomo Antara, Rosidah Musa and Faridah Hassan (2016) and Annamaria Lusardi (2015) examined financial literacy as a general notion those studies surveyed individuals by questionnaire or face-to-face interviews and found consistently, that financial literacy affect on financial attitudes, however, most individuals cannot perform simple calculations or understand basic financial concepts as; interest rate, portfolio diversification and inflation.

Other studies examined the relationship between financial literacy and influential factors. Most published studies focus on financial literacy among young students, in which John Gathergood and Jörg Weber (2017) and Annamaria Lusardi, Olivia S. Mitchell and Vilsa Curto (2009) examined financial literacy among the young and found that level of financial literacy among the young are generally low which may have important longer effects on the financial positions of the young households entering the market and they are not well equipped to make financial decisions, consistently, Tali Te'eni-Harari (2016) found that high level of young financial literacy and involvement expressed positive attitudes toward savings.

As Ani Caroline Grigion Potrich Kelmara Mendes Vieira and Wesley Mendes-Da-Silva (2016) and Seyma Cavdar, and Alev Aydin (2015) focus mainly on university students which are the targeted group for this thesis, in which Vieira and Da-Silva (2016) found that financial knowledge and attitudes of students have positive impact on financial behavior, while regarding Cavdar, and Aydin (2015) found a significant relationships between parents' educational level and family social status and students' perceive financial problems.

However, Arceo-Gómez, Eva O., Villagómez, and F.Alejandro (2016) focus on school students and showed low level of financial literacy among youth as about 1 of 5 students understand basic financial concepts and about 2 of 3 students only have a positive financial behavior

Other studies examined the relationship among financial literacy and investment and portfolio diversification as Selim Arena and Asiye Nur Zengin

(2016), and Sangeeta Arora and Kanika Marwaha (2014) found that when investors have higher level of financial literacy, they trend to create a well-diversified portfolio and equity. Deeply, Maela Giofré (2016), Amari Jarboui (2015) examined how financial literacy affect on portfolio diversifications and showed highly educated investors trend to diversify their international portfolio in countries affording lower minority shareholders protection.

Financial literacy is significantly affecting by income, educational level and workplace activities as found by Hussein A. Hassan Al-Tamimi (2009), and Ronald P. Volpe, Joseph E. Kotel and Haiyang Chen (2002). Although, they argued that genders differ in financial literacy level as they found women financial literacy are much lower than men.

In addition, Ratna Mehra (2016) and Ani Caroline Vieira, Daniel Arruda Coronel and Reisoli r Filho (2015) and Adele Atkinson and Flore-Anne Messy (2012) deeply considered gender in examining financial literacy and found that males on average showed higher level of financial literacy, as women financial decisions seem to be influenced by family, besides evolving internet as an important source for women.

Robert Clark, Annamaria Lusardi, and Olivia Mitchell (2016) and Dirk Brounen, Kees G. Koedijk, and Rachel A.J. Pownall (2016) examined how financial literacy affects on individuals' financial planning and savings behavior, in which individuals who have high level of financial literacy are found to have beneficial impact on savings and willing to take risks.

Prior studies of individuals Adele Atkinson and Flore-Anne Messy (2012) and Olivia S. Mitchell et al. (2010) consistently find that individuals who are not receiving a good education in personal financial fundamentals, have poor financial knowledge as there is positively and significantly correlation between schooling attainments and financial literacy, at the same time these studies asserted on that understanding financial concepts is lacking amongst populations.

Regarding the significant role of social capital, George Nabeta (2016) and Muhammad Iqbal (2016) conducted questionnaires and found critical role of social capital in obtaining financial information. Despite, the financial advice from

professionals and the information gained through word of mouth communication result to enhance positive financial behavior. Antonia Grohmann, Roy Kouwenberg and Lukas Menkhoff (2015) conducted face-to-face interviews and found parents' financial socialization has significant positive influence on financial literacy especially for their adult children.

Recent studies examined how financial inclusion impact on financial behavior and attitudes; Dipasha Sharma (2016) found a positive association between financial inclusion and economic growth specially banking services usage and interest for savings, however, Holmen (2016) reached to the same findings by made experiments, contradict, Iqbal (2016) asserted on that lack of financial knowledge doesn't explain the choice to use fringe finance. Munene (2016) adopted cross sectional qualitative research design and found that individuals' regulations (formal rules), normative (informal constraints) and procedural and declarative cognitive significantly affect on financial inclusion which in turns affect on their financial behaviors.

According to the previous studies' findings of the low level of students' financial literacy, the researcher believe that the research gap not examined regarding financial literacy on students is the consolidate impact of financial education providing in the universities and social capital factors on students' financial knowledge, although the deep investigation in the reasons behinds the low level of financial literacy of students. Therefore, in this thesis the researcher used mixed method by conducted questionnaire answered by senior students, then conducted focus group with financial professionals and professors discussing the questionnaire results.

3.11 Research Hypotheses Development:

Most individuals in the United States and in other countries cannot perform simple calculations and do not understand basic financial concepts such as interest compounding, the difference between nominal and real values, and risk diversification (A. Lusardi, 2015a). Bernheim (1995, 1998) was among the first to indicate the importance of financial knowledge in household decision making. Since then, financial literacy has been shown to be related to several types of behavior

(Maarten C.J. van Rooij, Annamaria Lusardi, & Alessie, 2011). After while, Potrich, Vieira, Coronel, and Filho (2015) find that financial literacy has two dimensions: understanding, which represents the personal financial knowledge of financial education, and use, which means the application of the management of personal financial knowledge. While regarding business Raijas (2011) suggest that the financial knowledge is associated with financial practices like cash-flow management, credit management, saving and investment. A. Lusardi and Tufano (2009) conclude that the financial competence has become more essential as financial markets offer more complex choices and as the responsibility for saving and investing for the future has shifted from government and employers onto individuals.

Thus, the hypothesis below was derived:

H 1: Households are financial literate.

A. Lusardi and Mitchell (2011) assert on that people living in urban areas tend to be more financially literate than those living in rural areas. This may well be due to differential exposure in the last few decades to the modern financial sector. In countries with diverse social and economic profiles like India, financial literacy is particularly relevant for people who are resource-poor and who operate at the margin and are vulnerable to persistent downward financial pressures (Sangeeta Arora, 2014). As noted by Potrich et al. (2015) in recent years, developed and emerging countries have become preoccupied with the level of financial literacy of their citizens, mainly because of the difficult economic and financial contexts and the fact that the lack of financial literacy is one of the factors that have contributed to poor informed financial decisions with huge negative repercussions in financial situations.

Thus, the hypothesis below was derived:

H 2: There are statistically significant differences at 0.05 level among the respondents toward “financial literacy for Students at the faculty of Commerce” due to Socio-demographic characteristics.

Furthermore, A. Lusardi and Mitchell (2011) find that financial literacy is very low around the world, irrespective of the level of financial market development and the type of pension provision. Accordingly, changes in markets have apparently not

wrought enhancements in financial knowledge, suggesting that people's gain in knowledge might be limited to what they learn from their own financial experiences. Therefore, people who severely underestimate the power of interest compounding are more likely to experience difficulties repaying debts (A. Lusardi, 2015a). Grohmann, Kouwenberg, and Menkhoff (2015a) reveal that there are two channels by which childhood experiences explain adults' degree of financial literacy: financial socialization by parents and the schooling channel. Financial socialization by parents has a significant positive influence on the financial literacy of their adult children. Having had parents who taught how to budget and encouraged saving, improves the degree of financial literacy by about 14%. Better financial literacy in turn is positively related to better financial decision making. Intriguingly, they find that financial socialization through experience with work and money in adolescence has an unexpected negative effect on financial literacy in adulthood. This result contradicts the weak positive relation between high school work experience and financial knowledge documented by Shim et al. (2010). However, their result is partially in line with the finding of Webley and Nyhus (2013) that work experience as an adolescent is negatively related to the savings of young adults, and positively related to debt levels.

Thus, the hypothesis below was derived:

H3: Financial experience has statistical significant relationship with financial literacy at 0.05 level.

Many studies confirmed that there is an influential link between financial literacy and financial behavior, Jarboui (2015a) says that financial literacy can affect the investors' behavior. However, Maarten C.J. van Rooij et al. (2011) find that less knowledgeable home owners tend to take out mortgage loans with unfavorable terms. Raijas (2011) explains that relation in which he finds that the financial knowledge and understanding, skills and competence, and responsibility are of no use unless consumers are able to use them in practice. Thus, people's financial market behavior is an essential element of financial capability, based on that he concludes that the successful investment performance is likely to be based on the investors' awareness and understanding of the investment terms and his/her capability to act on this knowledge. P. T. a. A. Lusardi (2009) explain the correlation

from finance perspective in which he finds that financial literacy has been linked to saving behavior and portfolio choice, often connecting financial knowledge to one specific type of transaction. For example, the less financially literate are found to be less likely to plan for retirement and to participate in the stock market. There is growing evidence that individuals who possess higher financial literacy have better economic outcomes as it improves financial decision making (Grohmann et al., 2015a). In contrast, Maleyeff ((2015) argues that behavioral finance researchers have studied investment decision making, and have identified a number of causes and effects. Despite the resulting knowledge, in practice investors have continued to make decisions inconsistent with their best interests.

Thus, the hypothesis below was derived:

H4: Behavioral finance has statistical significant relationship with financial literacy at 0.05 level.

A. Lusardi, Mitchell, and Curto (2009a) show that financial knowledge among the young is strongly influenced by family background. In which those whose mothers had a college education were more likely to understand inflation. Moreover, young whose parents had stocks or retirement savings when they were teenagers were more likely to know about risk, also they found that the mother's educational attainment and sharing among family members can also play an important role in household financial decisions. Dreberb (2012) confirms that many families shy away from the stock market because they have little knowledge of stocks and the stock market. In addition, it has also been shown that more basic measures of financial literacy, essentially measures of numeracy can predict stock market participation.

With more precise studies, Grohmann et al. (2015a) assert that parental teaching has a stronger influence on the financial knowledge of first year college students than financial education in high school and early experience with money. Focusing on financial behavior, the parental teaching, such as encouraging children to save and teaching budgeting, has a positive effect on future orientation and savings rates of young adults from age 18 to 32. Looking at parenting more broadly, finding that parenting style has an important influence on the economic orientation of children. Find that parental teaching practices, such as shopping with children and

discussing finances, mediate parenting styles (the way that parents raise their children) and so influence economic socialization.

Thus, the hypothesis below was derived:

H 5: Family background has statistical significant relationship with financial literacy at 0.05 level.

Further researches by A. Lusardi et al. (2009a) illustrate that social capital affects on financial literacy in which several studies of saving and financial decision-making, peers were found to be one of the key contributors of information and financial advice. For example, when asked how they make financial decisions, a high fraction of respondents reported consulting friends and colleagues. Peers were also important in decisions concerning pension participation and contribution. In Germany, the fraction of people voting for market-oriented parties is used to proxy for having well-informed peers. Here the results indicate that those having more informed peers are more likely to have higher financial knowledge (A. Lusardi & Mitchell, 2011). General speaking social capital plays a vital role in affecting of financial literacy, in which A. Lusardi (2015a) find that communication is an important consideration when it comes to financial literacy.

Thus, the hypothesis below was derived:

H6: Social capital and communication have no statistical significant relationship with financial literacy at 0.05 level.

Chapter 4

Study Methodology and

Results

Chapter 4

Study Methodology and Results

4.1 Introduction

As the study aims to examine the financial literacy level of students in local universities, the researcher has developed two instruments to achieve the purpose of the study. The first instrument is a questionnaire and the second is a focus group interview. In addition, the researcher has chosen an appropriate sample from the population to know the validity and reliability of the tools.

This chapter presents the objectives behind examining students' financial literacy, explains the methodology that has been used to achieve the study objectives. As well as the study presents a brief background about the population which includes university students who are at the forth level and postgraduate students (master). Then shows the procedures of collecting data at the same time shows how sample size has been calculated.

4.2 Objectives of the Study:

Day by day the number of young people who have a university education is increasing in Gaza Strip and around the world. University education undoubtedly plays a vital role in shaping the financial, cultural and socio-economic structures of the society. However, the society neglects the importance of university education on preparing students to face financial challenges.

This study aims mainly, to examine the level of financial literacy of students and describes how socio-demographic, educational, cultural and social factors influencing on students' current and future social and economic life. In addition, the study considers students' needs for well-equipping them for long array of future financial decisions so the study makes attention to the need for improving university financial education.

Moreover, the study derives sub objectives to achieve the main objectives, which are; analyze the actual results which represents the actual level students' financial literacy in Gaza strip, identify the realistic facts behind students' financial literacy and reach to applicable recommendations for improving students' financial literacy level and for further research.

4.3 Study Methodology

Research methodology is a systematic way to solve a problem. It is a science of studying how research is to be carried out. Essentially, the procedures by which researchers go about their work of describing, explaining and predicting phenomena (Rajasekar.S, 2013).

This study employs a mixed research methodology where both quantitative and qualitative methods were used. In which to collect quantitative data an administered questionnaire tool has been conducted as quantitative descriptions could simplify large amounts of data in a sensible way, while focus group interview has been used to collect qualitative data that validate collated quantitative data.

4.4 The Population of the Study:

The population of the study consisted of senior bachelor students who are in the fourth level in faculties of commerce in universities in Gaza Strip (Islamic university, AL-Azhar university, AL-Aqsa university and University of Palestine) and all postgraduate students (master) in faculty of commerce in (Islamic university and AL-Azhar university). Based on universities statistics the size of the research population is (1594) students.

Table (4.1): Illustrates the distribution of research population.

University	Male students	Female students	Total
Islamic University - Bachelor	195	138	333
AL-Aqsa University - Bachelor	160	161	321
AL-Azhar University - Bachelor	164	108	272
University of Palestine - Bachelor	107	22	129
Al-Azhar University - Master	43	28	71
Islamic University - Master	343	125	468
Total	1012	582	1594

The universities are considered one of the most essential components of the economic and social life in Gaza Strip which is the cornerstone of human development in Palestine, as it plays pioneering role in satisfying the labor market with basic requirements of qualified human cadres. Although, universities are considered the main component of the Palestinian services sector, which is the largest component of GDP compared to other economic sectors.

Therefore, it is a must to pay attention to the output of universities' services through assessing the quality of educational services provided by local universities and developing appropriate strategies that in one hand assert on the necessity of getting qualified graduates who are well prepared for labor market and able to

achieve future wellbeing for themselves and for the society. On other hand reduce the cost of services production while maintain the highest possible quality to achieve the competitive position that promoting the academic and educational services in Gaza Strip.

4.4.1 Islamic University of Gaza

The Islamic University of Gaza (IUG) is an independent academic institution supervised by the Ministry of Higher Education. It is a member of four associations: Association of Arab Universities, Federation of the Universities of the Islamic World, Community of Mediterranean Universities, and International Association of Universities.

The Faculty of Commerce was established in the academic year 1980/1981, it was named as Faculty of Commerce and Economics, it had two departments: The Departments of Management and Accounting and The Departments of Economics. In 1983/1984 the faculty name changed to be "Faculty of Economics and Management Science" and the Departments of Management and Accounting was separated into two parts so the faculty consisted of three departments: The Management Departments, the Accounting Departments and The Departments of Economics. 1987/1988 the university board decided to change the faculty name again to be "The Faculty of Commerce". In addition, they adopted its amended plans. Political Science Departments started work at this department at the beginning of 1996/1997, 2001/2002 the faculty launched a new specialization of banking and Finance, and in 2004/2005 the bachelor program started teaching Management and Accounting in English language. Then 2005/2006 Economics and Political Departments launched Economy and Applied Statistics specialization.

Faculty of Commerce vision is: "To be the leader in providing the academic programs in Finance, Economical and Administrative Sciences. Moreover, providing the society with scientific qualification to develop to the human being and the homeland to keep up with the current requirements within the framework of the national and Islamic values".

Based on statistics of the university, the bachelor graduates' numbers from the faculty of commerce, during the years 2014-2015, 2015-2016, and 2016-2017 were

439, 418 and 328 (male and female) students respectively. However, the numbers of postgraduate students during the years 2014-2015, 2015-2016, and 2016-2017 were 138, 177 and 85 students respectively. (Appendix 1.1 shows university statistics)

4.4.2 Al Azhar University-Gaza

Al Azhar University-Gaza (AUG) is a Palestinian, public, non-profit and independent higher education institution. It was established in 1991 in the Gaza City by a presidential decree issued and signed to be a non-conventional lighthouse in the course of higher education in Palestine. AUG aims to satisfy the needs of the Palestinian community with qualified personnel in diverse disciplines of knowledge, applied scientific research, and sustainable development.

The Faculty of Economics and Administrative Sciences was established in 1993 with only two departments; the Accounting Department and the Department of Business Administration. In 1996, the Department of Economics, the Department of Political Science and the Department of Applied Statistics were annexed to the faculty.

In 2005, the faculty opened an English Department for Business Administration, in addition to an English Accounting Department. Master's degree Programs in Accounting, Business Administration, Economics, Political Science and Statistics were also offered for students.

The Faculty of Economics and Administrative Sciences aims to graduate specialized students in Economy and Administrative Sciences to serve our Palestinian Community. Vision of the Faculty of Economics and Administrative Sciences is “seeks uniqueness in the quality and standards of its programs, published researches and staff member services”.

Based on statistics of the university, the bachelor graduates' numbers from the faculty of commerce, during the years 2014-2015, 2015-2016, and 2016-2017 were 313, 261 and 145 (male and female) students respectively. However, the numbers of postgraduate students during the years 2014-2015, 2015-2016, and 2016-2017 were 74, 74 and 35 students respectively. (Appendix 1.2 shows university statistics)

4.4.3 Al-Aqsa University

Al-Aqsa University started in 1955 as Teachers' Institute under the administration of the Egyptian government. The aim was to prepare and rehabilitate teachers. In 1991 the Institute has evolved into a college known as the government College of Education, and since that time the college had been growing and developing its educational plans, scientific departments, professors, and students.

The College of Management and Finance was established in 2005 as one of the pillars of the university that contributes to improve the society educational level in the field of management and economic and to provide Gaza Strip market with qualified cadres scientifically and practically to enhance the process of construction and development.

Based on statistics of the university, the bachelor graduates' numbers from the faculty of commerce, during the years 2014-2015, 2015-2016, and 2016-2017 were 134, 140 and 52 (male and female) students respectively. (Appendix 1.3 shows university statistics)

4.4.4 The University of Palestine

The University of Palestine (UP) is an independent, private, and non-governmental university. The university was established in 2005 in Gaza Strip by a group of investors, academics, and researchers. UP is looking forward to confirming its mission in order to be a leading university in Palestine. UP offers advanced educational programs utilizing modern technology. UP effectively contributes to the development of economic and social life of the Palestinian people. UP is actively engaged with its local community to promote sustainable development in the Palestinian society.

The faculty of Business and Management is characterized by its practical and researching aspects. This faculty embraces the philosophy of serving the community through different scientific and academic research areas, in which methodology of the faculty is committed to the basis of the accreditation standards set by the

Accreditation and Quality Assurance Commission, as well as taking into account the international standards of finance and business management disciplines.

Faculty of Business and Management has two departments: The Departments of Accounting and The Departments of Business Administration. The faculty has a vision of “The Faculty of Business and Management plays a prominent role in conducting academic research concerning different areas such as administration, finance, and economic. These research studies take into consideration local and international standards of quality.”

Based on statistics of the university, the bachelor graduates’ numbers from the faculty of commerce, during the years 2014-2015, 2015-2016, and 2016-2017 were 134, 152 and 78 (male and female) students respectively. (Appendix 1.4 shows university statistics)

4.5 The Sample of the Study

The study selects targeted random sample that represents the population. There are many reasons that justify the decision to use university students in Gaza Strip for this study, which are the following:

- Selecting students who are studying in faculties of commerce and particularly bachelor students at the fourth level and postgraduate students (master) is due to the need to examine students’ financial literacy after they have been studied financial or economic courses and exposed to financial knowledge.
- Financial literacy is not widely explored in the academic environment as on the society level in general, especially when considering emergent and unstable markets such as Gaza Strip.
- Among the students, the study chose university students because of evidence reported by Lusardi and Mitchell (2010) that individuals with lower educational levels are less prone to answer the questions correctly and more prone to say that they do not know the answer.

- University students have to manage more responsibilities and are obliged to make decisions that will define their financial independence.
- The study considered variables related to costs and opportunities for learning, such as cognitive ability, schooling, and exposure to financial knowledge via family and peers.

To select random sample from the research population, the equation of Kergcie & Morgan that shows in the study of Krejcie (1970) has been used to determine the appropriate minimum sample size which represents the research population well, and according to the formula below:

$$n = \frac{\chi^2 NP(1 - P)}{ME^2(N - 1) + \chi^2 P(1 - P)}$$

Whereas:

n: the required sample size.

N: the population size.

P: population proportion (assumed to be 0.5 (50%).

ME: Margin of Error at 5% (0.05).

X₂: the table value of chi-square for 1 degree of freedom at the desired confidence level (3.86), at confidence level of 0.95 or at significant level of 0.05.

After compensation in the previous equation it has been reached that among the available research population of (1594) students, the appropriate research sample size (310) students from all targeting universities in the study. However, researcher increased the sample size to (348) students to increase the accuracy of results and answers, Table (4.2) illustrates that:

Table (4.2): Illustrates the distribution of study sample on target universities

Fourth level students in the faculty of commerce in 2016 (bachelor's degree)							
University	Total	%	sample	Percentage of male	Percentage of female	Sample of male	Sample of female
Islamic University – Bachelor	333	0.21	73	0.59	0.41	43	30
AL-Aqsa University – Bachelor	321	0.20	70	0.50	0.50	35	35
AL-Azhar University - Bachelor	272	0.17	60	0.60	0.40	36	24
University of Palestine - Bachelor	129	0.08	28	0.83	0.17	23	5
Al-Azhar University - Master	71	0.04	16	0.61	0.39	9	6
Islamic University - Master	468	0.29	103	0.73	0.27	75	27
Total	1594	1.00	350	0.63	0.37	221	127

Note: Al Aqsa university and University of Palestine do not have postgraduate programs.

Exploratory Sample: The exploratory sample used by researcher when the researcher has a very basic knowledge about the research subject, object and about research variables. The exploratory sample represents a starting point of scientific research in both theoretical and practical sides. In addition, it serves as a reassurance to the researcher that entire research goals are heading in the right direction, also it is beneficial to assess validity and reliability of the study tool which is significant to continue the study or not.

Therefore, the questionnaire was subjected to a pilot study which is represented by exploratory sample before employing in the study. After the pilot

study, all ambiguous questions, negatively worded questions and difficult questions were omitted to have a refined questionnaire. Some of the questions that have been removed from the questionnaire: “Let’s assume that you saw a TV-set of the same model on sales in two different shops. The initial retail price of it was NIS 1,000. One shop offered a discount of NIS 150, while the other one offered a 10% discount. Which one is a better bargain”, and “Assume a friend inherits €10,000 today and saves it without investment and his sibling inherits €10,000 3 years from now. Who is richer because of the inheritance?”.

Regarding the pilot study, the researcher distributes a random exploratory sample contain of 30 questionnaires to students in faculty of commerce and economics in Gaza strip.

Table (4.3): Illustrates the distribution of exploratory sample by (gender and university)

Variable	Number	Percentage
Gender		
Male	20	66.7
Female	10	33.3
University		
Islamic University – Bachelor	6	20.0
Al-Aqsa University – Bachelor	7	6.7
Al-Azhar University – Bachelor	2	23.3
Islamic University – Master	14	3.3
Al-Azhar University – Master	1	46.7
Total	30	100.0

4.6 Data Collection Methods

The researcher used two primarily research tools which are administered questionnaire for collecting quantitative data and focus group interview for obtaining qualitative data.

Questionnaire: The questionnaire includes a series of questions asked to respondents in order to obtain statistically useful information, in which respondents are requested to answer it in a way determined by researcher in proportion to research purpose. An administered questionnaire has been conducted in universities in Gaza Strip. The questionnaire questions covered some dimension; socio-demographic characteristics, basic financial concepts, financial behavior and experience, family background and social capital impact on financial literacy. The questionnaire was distributed among a representative sample of all targeting universities; Islamic university, Al Azhar university, Al Aqsa university and University of Palestine

The respondents answered on the questionnaire paragraphs carefully and objectively away from any bias in following directions of the researcher and personal supervision. After that, the researcher retrieves questionnaire copies that was distributed to respondents to describe, analyze and evaluate results. As the study was conducted in Arabic community, it is a must to translate the research questionnaire into Arabic language to assure the success of respondents' understanding the questions.

Regarding the procedure of developing the questionnaire; Firstly, the research tools has been prepared to match the subject which is "The Financial Literacy on Business Students in Gaza strip", where the researcher reviewed previous studies related to the subject and prepared the questionnaire, arranged and formulated its paragraphs appropriately to fit the subject of the research. Secondly, the preliminary draft of the questionnaire has been presented to supervisor for modifications and discussion about appropriate questionnaire paragraphs, variables to measure the scale and its ability to express the content of the research. Thirdly, the researcher rearranged the questionnaire's paragraphs according to the modifications made by the supervisor. Fourthly, the questionnaire was designed in the initial form and submitted to a number of experienced arbitrators; financial professors and specialists. (Appendix 3 shows the arbitrators names). Finally, in the light of the views of the

arbitrators some questionnaire paragraphs were modified in term of deletion, addition or modification to settle the questionnaire in final form.

The questionnaire consists of six dimensions, the first dimension represents in "**Socio-demographic characteristics**" with 8 questions, the second dimension represent in "**financially literate**" with 15 questions, the third dimension represent in "Financial behavior" with 4 questions, the fourth dimension represents in "**Family background**" with 4 questions, the fifth dimension represents in "**Financial experience**" with 4 questions, finally the sixth dimension represents in "**Social capital and communication**" with 11 questions.

A copy of the questionnaire can be found in the Appendix.4

Focus Group: The interview is qualitative research tool seeks to describe the meanings of central themes in the life world of the subjects, as interviewing generally aims to understand the perspectives of what the interviewees regarding specific issue. The researcher or the interviewer often uses open questions, in order to obtain more detailed information and to start new discussions.

After collecting and analyzing data, the need for discussing results and justifying the reasons behinds the results is important to validate the results and to add meaning to the study findings, therefore, the study conducted focus group interview with financial professionals (Appendix 3 show the names of the professionals participate in the focus group) who significantly contributed to the research results and its validity.

A brief presentation has been prepared and presented by the researcher at the binging of the focus group section, in order to give the participants a brief background about the questionnaire findings. Then the researcher opened the discussion by asking heading opened questions which are the following:

- To what extent do you have confidence with the results?
- How do you explain that a third or more of the students have low level of financial literacy?
- How students' financial literacy could be improved?

(Focus group presentation and questions settled in the final form, as shown in Appendix 5).

4.7 Research validity and reliability

Validity and reliability of research tool are significant to measure the generalizability of the research findings. Validity can be defined as the ability of the scale to describe and estimate what is designed to measure, as high degree of validity demonstrates the absence of systematic errors in the research tool, and reflects the real and assumed concept of the scale.

While the reliability assesses to what extent the research tool can be assured the same results when the application of the research tool repeated. In other word, if another researcher uses the same research tool under the same conditions will reach almost to the same results, this means that the study enjoy a high degree of stability(Weiner, 2007).

4.7.1 Research validity

The questionnaire was examined by a number of arbitrators who have professional and academic experience in the field of the research. The researcher has modified, deleted, and added the necessary parts to the questionnaire in response of the arbitrators' suggestions. In addition, the questionnaire underwent to pre-test on the exploratory sample contains of 30 respondents as a means to ensure the clarity of the questionnaire and disclosure the weaknesses, taking into account the representation of research variables.

To improve research validity, the researcher came out by number of modifications on the research tool, and reformulated the questionnaire in according to notes made by arbitrators, until the questionnaire takes the final form (Appendix 4 shows the final form of the questionnaire). The modifications that have been made by considering the opinions of the arbitrators which represent the need to simplify the tool and commitment as much as possible to vernacular in the formulation of questions for ease the respondents' understanding.

Therefore, the researcher endeavored to remove many worded questions in the questionnaire for keeping questions simple, specific, concise, avoiding double barreled questions and decomposing questions into simpler and more focused questions, as all items in the questionnaire for the final study were re-worded. The

scale anchors used in the pilot study was maintained to avoid change in the meaning of the construct and potential compromise on validity. Scale formats, anchors and scale values were maintained to avoid common method biases.

Interestingly, focus group interview contributes significantly in improving the research validity as the financial professionals agreed on some results while justified other results, which also add meaning to the findings.

4.7.2 Research reliability

The researcher applied the questionnaire on 30 respondents from research sample before two weeks from the questionnaire distribution to reach to the percentage that can be trusted, and so the questionnaire achieved the Elseco metric characteristics.

4.8 Test of Normal Distribution

There are two types of statistical tests, the first is “Parametric tests” and the second is “Non-Parametric tests”. If the data is normal distributed parametric tests are applicable, if not nonparametric tests are used. This research applied the parametric test. According to Central Limit Theorem if the sample size (n) is greater than 30 respondents we can throw over the normal distribution condition (Osama, 2007).

4.9 Statistical Techniques

Once the quantitative data obtained via the questionnaire, the data checked for missing values, inconsistencies and any other response errors. For quantitative data input and analysis have been conducted by the Statistical Package for Social Science (SPSS V.24). The coded data was rechecked visually for the detection of any possible data entry errors.

Descriptive statistics were computed for all the variables for accuracy of inputs as follows: the range of each variable was checked for out-of-range values, frequency counts were performed, the distribution of each variable was analyzed to detect irregular answers and cases with extreme values and the means and standard deviations were computed. Moreover, statistical techniques have been used to test the research questions and hypothesis and to analyze the data, while, percentages have been used to describe the personal characteristic of the study sample.

The Pearson correlation coefficient has been used to test the hypotheses and the correlations between the study variables. However, some statistical tests have been used, as Independent Sample T test for testing the differences between variable that have two groups, while, Post hoc (LSD – Least Significant Differences) test has been used to show the exact differences between variable that have more than two groups, in addition to One Way ANOVA test for testing the differences in students' financial literacy due to the socio-demographic characteristics differences,.

Chapter 5
Findings and Data
Analysis

Chapter 5

Findings and Data Analysis

5.1 Introduction

This chapter includes the presentation and analysis of the most important statistical results that describe the characteristics of the research respondents and those have been reached about the problem of the study, which aims to measure and determine “**The financial literacy on Business Students in Gaza strip**”. In addition, this chapter presents the results of testing hypotheses. It also includes discussing and commenting on each hypothesis in light of the research problem.

This chapter is divided into the following: characteristics of respondents, Analysis of research dimensions and hypothesis testing.

5.2 Part One: Socio-Demographic Characteristics

The following charts show the distribution of respondents according to demographic factors (gender, education level and specialization).

5.2.1 Gender

Figure 1 shows the respondents according to gender, whereas (63.5%) of the respondents are males and (36.5%) are females.

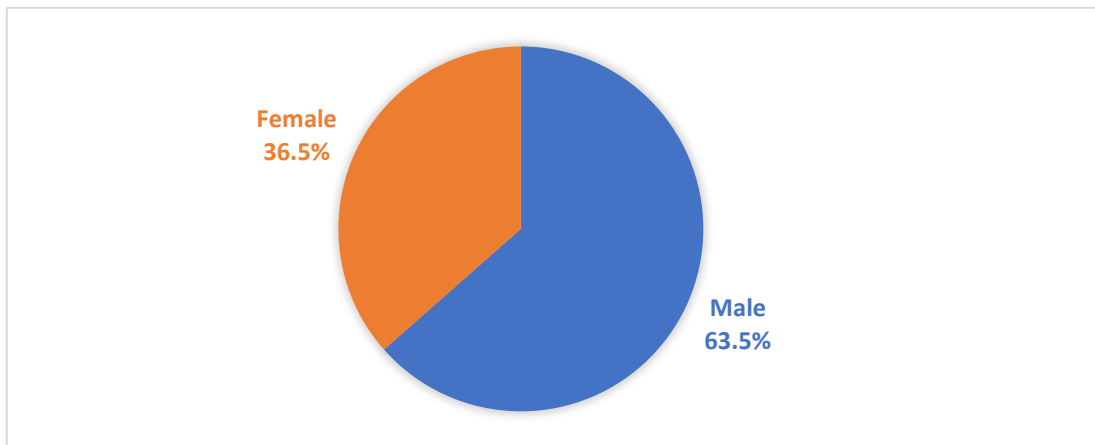


Figure (5.1): Distribution of respondents according to gender.

5.2.2 Education Level

Figure 2 shows the respondent according to education level, whereas (66.4%) of the respondents have a bachelor degree while (33.6%) of them have master

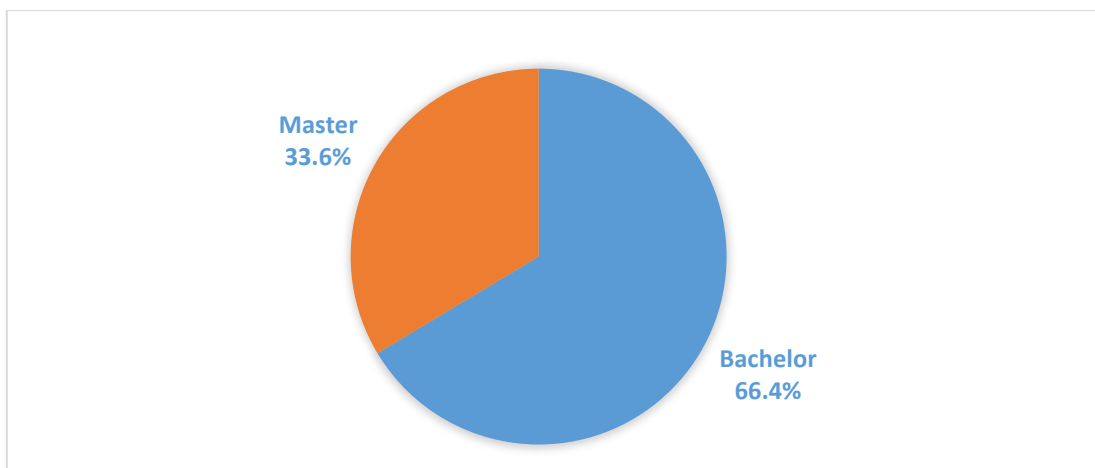


Figure (5.2): Distribution of respondents according to education level.

5.2.3 Specialization

Figure 3 shows the respondents according to specialization, whereas (90.5%) of the respondents are studying in faculty of commerce, (4.3%) of them in faculty of engineering, (3.2%) of them in faculty of information technology, (1.7%) of them in faculty of education, and the remaining (0.3%) in faculty of science.

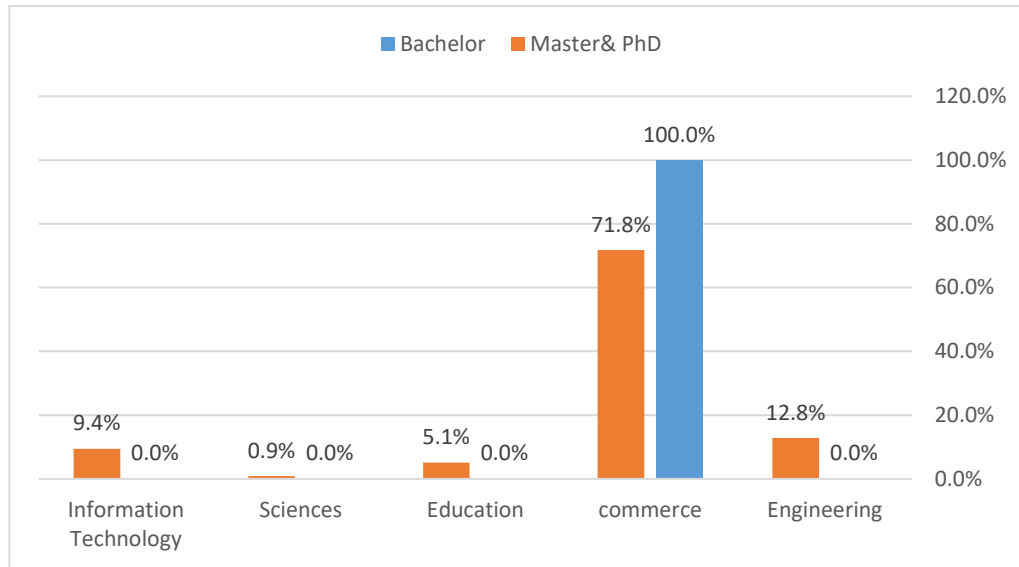


Figure (5.3): Distribution of respondents according to specialization

5.2.4 The first question, which states "Did you have any university courses in Finance or Economy?"

The table (5.1) illustrates analysis of results for the first question, where the results indicate that (92.8%) of the respondents studied courses related to finance and economy sciences which they are (323) respondents, while (7.2%) did not take any courses in finance and economy sciences during their study which they are (25) respondents, while the most studied courses as the respondents mentioned are (Financial Managements, Micro and Macroeconomics, Public Financial Accounting, Feasibility Study, Money and Banks and Financial Markets).

Based on the result, the study expects that studying financial and economic courses in the university enhances students' understanding of the financial issues. As most of the students in the targeted universities have been studied economic and financial courses, they are expected to have financial knowledge that enables them to handle their current and future financial issues such as managing their money in the

best way, making the right choice from a broad spectrum of financial products and services offered in the market and ensuring that they can accumulate for the future.

The results complies with Adele Atkinson (2012) findings who conclude that there is a positive relationship between education and financial literacy, in which higher educated individuals are more likely to exhibit positive behaviors and attitudes as well as show advanced levels of knowledge. Furthermore, Bernheim, Garret and Maki (1997) have shown that American students who graduate in states that mandate personal finance courses to high school students are more financially educated and make better decisions than graduates in states that do not have such requirements (Arceo-Gómez, 2016).

Table (5.1): Illustrates analysis of results for the first question "Did you have any university courses in Finance or Economy?"

Answer	Frequency	Percent
Yes	323	92.8
No	25	7.2
Total	348	100.0

5.2.5 The Second question, which states "Do you have a job?"

The table (5.2) illustrates analysis of results for the second question, where the results indicate that (62.9%) of the respondents do not have job which they are (219) respondents, (37.1%) of them have a job which they are (129) respondents, however, (75.2%) of those who have job, their jobs are (paid - full time jobs), whereas (17.8%) of them (paid - part time jobs), and (7%) of them (working without pay "voluntary jobs").

The reasons behind asking students about their employment status is complying with previous studies. The report of (OECD, 2014) which conclude that, while many students will continue in education or training at post-compulsory education, some of them may soon move into the labor market or may already be engaged in casual employment outside of school hours. Based on this result and as

62.9% of the respondents don't have a job the study expects that their financial literacy will be lower than those who have jobs, as jobs inquire them to make some financial decisions such as bank account, savings, retirement plan, purchasing and banking credit decisions.

Table (5.2): Illustrates analysis of results for the second question "Do you have a job?"

Answer	Frequency	Percent
Yes	129	37.1
No	219	62.9
Total	348	100.0
If <u>Yes</u> , please answer the following question: Is your job paid/unpaid?		
Paid – full time job	97	75.2
Paid – part time job	23	17.8
Unpaid work (Voluntary)	9	7.0
Total	129	100.0

5.2.6 The third question, which states "Do you used to listen to the daily economic bulletin?"

The table (5.3) illustrates analysis of results for the third question, where the results indicate that (50%) of respondents sometimes listen to economic bulletin, (31.6%) of them rarely listen to economic bulletin, whereas (11.8%) never listen to economic bulletin, and the remaining (6.6%) always listen to economic bulletin.

Based on the results the study finds that most of the respondents are used to listen to daily economic bulletin sometimes or rarely, which means that they don't have an interest of the economic circumstances and therefore, day after day they would enlarge the gap in their financial literacy as the economic bulletin is vital source of financial and economic issues. On other hand it would affect on their

financial behavior and attitudes. Nevertheless, financial literacy involves not only the knowledge, understanding and skills to deal with financial issues, but also non-cognitive attributes: the motivation to seek information and advice in order to engage in financial activities, the confidence to do so, and the ability to manage emotional and psychological factors that influence financial decision making. these attributes are considered as a goal of financial education, as well as being instrumental in building financial knowledge and skills (OECD, 2014). Furthermore, Iqbal (2016) found that there is a positive association of conscientiousness with the use of financial publications as a primary source of information. Therefore, the study finds that students who read economic bulletin are expected to have higher financial literacy and make more conscious and informed financial decisions.

Table (5.3): Illustrates analysis of results for the third question “Do you used to listen to the daily economic bulletin?”

Answer	Frequency	Percent
Always	23	6.6
Sometimes	174	50.0
Rarely	110	31.6
Never	41	11.8
Total	348	100.0

5.2.7 The fourth question, which states "Do you used to read daily economic newspaper (printed or electronic)?"

The table (5.4) illustrates analysis of results for the fourth question, where the results indicate that (37.6%) of respondents rarely read daily economic newspaper, while (34.8%) of them sometimes read daily economic newspaper, whereas (22.1%) never read daily economic newspaper, and the remaining (5.5%) always read daily economic newspaper.

Based on the results the study finds that about 72% of the respondents sometimes and rarely read economic newspaper, although, it is one of the most significant sources of financial information for current and future investor. (CostaandMcCrae,1992) asserts on that investors with high conscientiousness work harder to collect relatively accurate and pertinent information themselves. However, Argentesi etal. (2010) showed that the sale of a financial newspaper does not have any association with quantities traded in Italian stock market. They argued that more financial information acquired by investors does not always lead them to trade more because it may also dictate that trading is a bad idea (Iqbal, 2016). Which means that not always reading economic newspaper affect positively on financial literacy, as economic newspaper may have problem related to its financial inclusion and may not real with enriched financial content. As the respondents are business students who are expected to be the future economists and businessmen/women, it's a must for them to follow and understand daily economic changes, to enable them handling future financial challenges.

Table (5.4): Illustrates analysis of results for the fourth question "Do you used to read daily economic newspaper (printed or electronic)?"

Answer	Frequency	Percent
Always	19	5.5
Sometimes	121	34.8
Rarely	131	37.6
Never	77	22.1
Total	348	100.0

5.2.8 The fifth question, which states "Have you ever dealt with the banks?"

The table (5.5) illustrates analysis of results for the fifth question, where the results indicate that (62.4%) of the respondents deal with the banks, where the most banking transaction or service used is current account with a percentage of (33%), while the lowest is the credit card with a percentage of (7.2%), while interestingly (37.6%) of the respondents have never dealt with the banks.

Based on the results the study finds that 62.4% of the students deal with banks but in fact most of them are required to deal with banks for getting their salaries so they opened current account, while about 30.2% of the students who deal with bank have a savings account which is a good indicator for their financial literacy and financial behaviour. However, about 37.6% of the students have never dealt with bank, which is considered a negative indicator of their financial literacy as having a bank account is one of the sources that enhance individuals' financial literacy. Many studies assert on the necessity of having a bank account, however, Grohmann et al. (2015b) found that having had a bank account before 18 is negatively correlated with financial literacy. Having a bank account early in life (different from job before age 15) may signal a more comfortable upbringing. While in the report of OECD (2014) authors recognised that young people can learn about financial matters from a variety of sources, including their parents, friends, schools, extra-curricular activities, as well as through personal experiences such as opening a bank account.

Table (5.5): Illustrates analysis of results for the fifth question "Have you ever dealt with the banks?"

Answer	Frequency		Percent	
Yes	217		62.4	
No	131		37.6	
Total	348		100.0	
If Yes, please answer the following question: Which of the following banking transactions describe your interactions? (Note: you can choose more than one option)				
Answer	Yes		No	
	Frequency	Percent	Frequency	Percent
Current account	115	33.0	233	67.0
Saving account	105	30.2	243	69.8
Loan	15	4.3	333	95.7
Murabaha	61	17.5	287	82.5
Credit card	25	7.2	323	92.8
other	48	13.8	300	86.2

5.2.9 The sixth question, which states " Imagine you are going to receive amount of money; would you prefer to receive 2,500\$ today or 3,000\$ in 80 days?"

The table (5.6) illustrates analysis of results for the sixth question, where the results indicate that (77.3%) of the respondents preferred to receive 2,500\$ today, while (22.7%) of them preferred to receive 3,000\$ in 80 days.

As the results indicate that students tends to be slightly with high risk aversion, with low trust and investment awareness, in which their answers release their impatience toward gaining money today rather than waiting for a short period and getting more money. Based on that the study could conclude that their financial literacy is relatively low, which complies with Grohmann et al. (2015b) who found that a higher degree of financial literacy is positively related to higher education, higher income and also lower risk aversion.

Table (5.6): Illustrates analysis of results for the sixth question " Imagine you are going to receive amount of money; would you prefer to receive 2,500\$ today or 3,000\$ in 80 days?"

Answer	Frequency	Percent
Today, receive 2,500\$	269	77.3
In 80 days, receive 3,000\$	79	22.7
Total	348	100.0

Several aspects of students’ characteristics and educational background can predict their financial literacy competencies and skills. O. M. Annamaria Lusardi, and Vilsa Curto (2010) have shown that financial literacy among young people is associated with various demographic and socio-economic factors. To sum up the respondents’ socio-demographic characteristics and its effects on their financial literacy, majority of the students are males, about two-thirds of them have a bachelor degree while the rest have master or PhD degree in which higher educated individuals are more likely to exhibit positive behaviors and attitudes, more than 90% of the respondents are business and economic students who have been studied

financial or economic courses which prepare them to handle their current and future financial issues as studying financial courses is positively correlated with improving financial literacy, majority of the students rarely follow economic and financial news which reflects an interesting indicator for low level of financial literacy as they are away from the daily bubbling financial issues, many of the students dealt with banks in which banks is vital source of financial information, however, low level of financial literacy and high level of risk aversion shown by the respondents as they prefer to receive less money today rather than wait and get more.

Appendix 6.1 shows the differences among university students in answering financial literacy section.

Appendix 6.2 shows the differences among different specialization students in answering financial literacy section.

5.3 Are Households Financially Literate

5.3.1 The seventh question, which states “Are you familiar with the Palestinian Monetary Authority?”

The table (5.7) illustrates analysis of results for the seventh question, where the results indicate that (26.4%) are not familiar with the Palestinian Monetary Authority, (37.9%) of the respondents are to some extent familiar with the Palestinian Monetary Authority, while (35.6%) of them are familiar with the Palestinian Monetary Authority, however the percentage represents the respondents who answered the sub-question about the role of PMA (regulate and supervise of banks, specialized lending institutions and money exchangers operating in Palestine) is (79.8%).

About 35.6% of the respondents thought that they are familiar with Palestinian Monetary Authority, while, in fact only about 80% of them knew the role of PMA and actually are familiar with PMA. Based on that, there is a clear gap of the financial literacy regarding the familiarity with PMA. This gap lies on the responsibility of the universities in improving the content of the courses that taken by business and economic students and give students courses rich of information

necessity for labor market. At the same time, it's may due to the absence of Ministry of High Education in obliging universities to harmonize the courses with the necessary financial literacy of the labor market. And as PMA is a very important institution which play most of the roles of central bank in controlling and managing the whole banking and financial non-banking institution in local market. Significantly, there is a necessity for students who are going to work in financial entities to be well informed about PMA.

Table (5.7): Illustrates analysis of results for the seventh question “Are you familiar with the Palestinian Monetary Authority?”

Answer	Frequency	Percent
Yes	124	35.6
No	92	26.4
To some extent	132	37.9
Total	348	100.0
If Yes, please answer the following question: What is the role of PMA?		
Manage the production and distribution of the nation's currency (NIS)	10	8.1
Regulate and supervise of banks, specialized lending institutions and money exchangers operating in Palestine.	99	79.8
Increase a NIS value, so PMA can buy currency and hold it in its reserves.	15	12.1
Total	124	100.0

5.3.2 The eighth question, which states “Are you familiar with the Commercial and Islamic banks?”

The table (5.8) illustrates analysis of results for the eighth question, where the results indicate that (46.8%) of the respondents are familiar with the Commercial banks, where Bank of Palestine is one of the most commercial banks has been mentioned by respondents, while the Palestinian Islamic Bank is one of the most Islamic banks have been mentioned by respondents, and (35.6%) of them are to some extent familiar with the Commercial banks, and the remaining (17.5%) are not familiar with the Commercial banks.

As they are still students and most of them they neither have a job nor salary and most of their financial information have been gained from courses that they have studied in the universities, the percent of 46.8% is justifiable by low level of convenient between financial courses and financial literacy needed for labor market. In contrast, students in European countries have higher level of financial literacy because of the context they live in, as they are required to get student loans to continue their study in the university and having salary from their government, and other factors keep them in touch with financial issues. Arceo-Gómez (2016) found that that financial education courses should be given to young people before they enter university, since it is during their college years that they make their first transcendent financial decisions, such as taking student loans, apartment rentals, or cell phone contracts. It’s worth to be mentioned that some respondents give wrong examples for commercial and Islamic banks, which reflects their lack of financial knowledge about the differences between Islamic, traditional and commercial, which in turn expresses their low level of financial literacy.

Table (5.8): Illustrates analysis of results for the eighth question “Are you familiar with the Commercial and Islamic banks?”

Answer	Frequency	Percent
Yes	163	46.8
No	61	17.5
To some extent	124	35.6
Total	348	100.0

Table (5.9): Illustrates the frequencies of results for the commercial banks mentioned by respondents

#	Commercial Bank	Frequency	Percent
1	Bank of Palestine	111	84.09
2	Amman Cairo Bank	8	6.06
3	Arabic Bank	1	0.76
4	Al Quds Bank	2	1.52
5	Egyptian Mortgage Bank	1	0.76
6	Investment Bank	1	0.76
7	Housing Bank	6	4.55
8	Production Bank	2	1.52
Total		132	100

Table (5.10): Illustrates the frequencies of results for the Islamic banks mentioned by respondents

#	Islamic Bank	Frequency	Percent
1	Palestine Islamic Bank	78	59.54
2	Arabic Islamic Bank	15	11.45
3	National Islamic Bank	32	24.43
4	Production Bank	4	3.05
5	Development Bank	1	0.76
6	Bank of Palestine	1	0.76
Total		132	100

5.3.3 The ninth question, which states “Are you familiar with the Insurance companies?”

The table (5.11) illustrates analysis of results for the ninth question, where the results indicate that (43.7%) of the respondents are familiar with the insurance companies, where is ALMULTAZEM, TRUST and ALAHLIA are the most insurance companies have been mentioned by respondents, while (28.4%) of them are to some extent familiar with the insurance companies, and the remaining (27.9%) are not familiar with the insurance companies.

Based on OECD (2014) study which found that financial literacy is thus contingent on some knowledge and understanding of fundamental elements of the financial world, including key financial concepts as well as the purpose and basic features of financial products. this also includes risks that may threaten financial well-being as well as insurance policies and pensions. The study concludes that students who are familiar with insurance companies have higher financial literacy than who are not, whereas insurance concepts are part of the basic financial knowledge that all individuals have to know especially business students

Table (5.11): Illustrates analysis of results for the ninth question “Are you familiar with the Insurance companies?”

Answer	Frequency	Percent
Yes	152	43.7
No	97	27.9
To some extent	99	28.4
Total	348	100

Table (5.12): Illustrates frequencies of results for the ninth question

#	Insurance Company	Frequency	Percent
1	Al Ameen Company	1	0.54
2	Al Ahlia Insurance Company	31	16.67
3	Al Takaful Insurance Company	5	2.69
4	Al Watnia Insurance Company	8	4.30
5	International Insurance Company	12	6.45
6	Al Multazem Insurance Company	68	36.56
7	Trust Insurance Company	61	32.80
Total		186	100

5.3.4 The tenth question, which states “Are you familiar with the non-banking financial institutions (lending Institution)?”

The table (5.13) illustrates analysis of results for the tenth question, where the results indicate that (43.4%) of the respondents are not familiar with the non-banking financial institutions (lending Institution), while (36.2%) of them are familiar with the non-banking financial institutions (lending Institution), where the most non-banking financial institutions have been mentioned by respondents is FATEN institution , while (20.4%) are to some extent familiar with the non-banking financial institutions (lending Institution).

About 43.4% of the students are not familiar with non-banking institutions, based on that the study conclude that there are some reasons behind this result as: the absence of university courses discussing such institutions, also the role of these institution is not clear enough especially for those students who are going to enter labor market and may work in these institutions, while they don't have enough information about these institutions, which is one of the most important sources of financing especially for small entrepreneurs -small business.

Table (5.13): Illustrates analysis of results for the tenth question “Are you familiar with the non-banking financial institutions (lending Institution)?”

Answer	Frequency	Percent
Yes	126	36.2
No	151	43.4
To some extent	71	20.4
Total	348	100.0

Table (5.14): Illustrates frequencies of results for the tenth question

#	Non-banking Institution	Frequency	Percent
1	Faten Institution	101	73.19
2	Asala Institution	11	7.97
3	Reef Institution	5	3.62
4	Islamic Relief Organization	1	0.72
5	CHF	5	3.62
6	Feta Institution	3	2.17
7	Al Tayseer for Marriage institution	2	1.45
8	Reyada	5	3.62
9	Exchange companies	4	2.90
10	Iqrad for Palestinian students	1	0.72
	Total	186	100

5.3.5 The eleventh question, which states “Are you familiar with the Palestine Stock Market?”

The table (5.15) illustrates analysis of results for the eleventh question, where the results indicate that (42.8%) of the respondents are not familiar with the Palestine Stock Market, (31.6%) of them are to some extent familiar with the Palestine stock Market, while (25.6%) are familiar with the Palestine Stock Market, where (70.8%) of the respondents who are familiar with the Palestine Stock Market see that the main function of the stock market is “the stock market brings people who want to buy stocks together with those who want to sell stocks”.

Although, the percent represents students who are familiar with Palestine Stock Market is relatively low, only about 71% of them actually knew the real role of Palestine Stock Market which is a negative indicator of student financial literacy who are supposed to be the most people familiar with stock market, as they have been studied many courses focused mainly on stock markets and their functions.

Table (5.15): Illustrates analysis of results for the eleventh question “Are you familiar with the Palestine Stock Market?”

Answer	Frequency	Percent
Yes	89	25.6
No	149	42.8
To some extent	110	31.6
Total	348	100.0
If YES, please answer the following question: Which of the following statements describes the main function of the stock market?		
The stock market helps you to borrow money.	7	7.9
The stock market works as mortgage broker.	18	20.2
The stock market brings people who want to buy stocks together with those who want to sell stocks	63	70.8
Other	1	1.1
Total	89	100.0

5.3.6 The twelfth question, which states “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?”

The table (5.16) illustrates analysis of results for the twelfth question, where the results indicate that (33.3%) of respondents preferred to invest their money in "Islamic bank", while the lowest percentage of respondents preferred to invest their money in "a friend business".

As most of respondents prefer to invest with experienced investors and Islamic bank, respectively. those results give us two important indicators. Firstly, students have a very high level of trust on others especially those who have an experience in the field of investment. Secondly, respondents trend toward investing in Islamic bank considered a positive Islamic finance attitude as we live in Islamic community, Hassan (2016) conclude that in term of Islamic financial literacy, it assumed to influence the attitude of a person in its financial behaviors especially in differentiate between conventional financing and Islamic financing. It also assumed that a person with Islamic financial illiteracy will lead to reduce financial decision mistakes in differentiating between conventional and Islamic financing.

Furthermore, as commercial banks, Islamic banks and Palestinian Capital Markets are considered formal financial institutions it's supposed to have the highest trust from individuals while based on the results the study found that there is no significant difference between the respondents' trust of formal and informal (friend business, family business and experienced investors) financial institutions as there is a high trend toward investing money with informal financial institutions. About 51% of the respondents said that they will not invest money with an experienced investor which is the lowest percent of the adverse preferences, this result complies with results of question “which of the following institutions you already have dealt with?”, table (5.28) shows that about 45% of the respondents dealt with informal institutions. These combination of findings lead the study to expect that there is a significant problem with formal financial institutions regarding their marketing and promoting their investment services and offers.

Table (5.16): Illustrates analysis of results for the twelfth question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?”

Answer	Yes		No	
	Frequency	Percent	Frequency	Percent
Commercial bank	61	17.5	287	82.5
Islamic bank	116	33.3	232	66.7
Palestinian Capital Market	56	16.1	292	83.9
A friend business	46	13.2	302	86.8
A family member business	84	24.1	264	75.9
With any experienced investor	169	48.6	179	51.4

5.3.7 The thirteenth question, which states “Let's assume that in 2017 your income is twice as now, and the consumer prices also grow twofold. Do you think that in 2017 you will be able to?”

The table (5.17) illustrates analysis of results for the thirteenth question, where the results indicate that (62.9%) of the respondents think that the purchasing power will not change, while (14.9%) of them think that the purchasing power will be increase, however (13.5%) think that the purchasing power will be decrease, and the remaining (8.6%) they do not know.

As the respondents are business students who have been studied most of the financial and economic concepts in several courses, study confidentially could say that they all are able to define inflation, while in fact only about 62% of them know it's real effects on their personal consumptions particularly and on the cost of live generally, which complies with Adele Atkinson (2012) who found that most respondents knew that high inflation meant the cost of living was increasing, suggesting an awareness of simple economic terms. It appears that in most countries

people were more likely to know the definition of inflation than know what impact it has on their spending power, but in Armenia considerably more people understood the time value of money than recognized the definition. OECD (2014) study asserted on that a grasp of concepts, such as interest, inflation, and value for money, are soon going to be, if they are not already, important for their financial well-being. Therefore, the ability to define such concepts is not enough to be financially literate, but there is a need for understanding it's real functionalities and effects on our daily life.

Table (5.17): Illustrates analysis of results for the thirteenth question “Let's assume that in 2017 your income is twice as now, and the consumer prices also grow twofold. Do you think that in 2017 you will be able to?”

Answer	Frequency	Percent
Buy more	52	14.9
Less	47	13.5
Not change	219	62.9
Don't know	30	8.6
Total	348	100.0

5.3.8 The fourteenth question, which states “Ali recently bought accident medical insurance with NIS 10,000 cover. The next day, he met with an accident and had to be hospitalized. He incurred NIS 5,000 in hospital fees. How much do you think the medical insurance policy will pay for?”

The table (5.18) illustrates analysis of results for the fourteenth question, where the results indicate that (63.2%) of the respondents think that the medical insurance policy will cover NIS 5000 or lower for the hospital fees, while (27.6%) of them do not know about the medical insurance policy, whereas (7.8%) think that the medical insurance policy will cover NIS 10,000 from hospital fees, and the remaining (1.4%) think that the medical insurance policy will not cover the hospital fees.

Many previous studies considered insurance concept is one of the ABC of financial literacy, therefore understanding the fundamental concepts of finance and economy is the first step for being financially literate. Based on the result we conclude that only about 63% of the students have the ABC of financial basics. About 36.8% of the respondents are in lack of knowledge about insurance concepts, is due to the absence of university courses in some majors in the universities in discussing these concepts.

Table (5.18): Illustrates analysis of results for the fourteenth question “Ali recently bought accident medical insurance with NIS 10,000 cover. The next day, he met with an accident and had to be hospitalized. He incurred NIS 5,000 in hospital fees. How much do you think the medical insurance policy will pay for?”

Answer	Frequency	Percent
10,000 NIS	27	7.8
5,000 NIS or less	220	63.2
Zero	5	1.4
Don't know	96	27.6
Total	348	100.0

5.3.9 The fifteenth question, which states “Ali is carpenter who recently borrowed some money from a local moneylender. His loan was consumption loan. What do you think he bought?”

The table (5.19) illustrates analysis of results for the fifteenth question, where the results indicate that only (51.1%) of the respondents think that the borrowed money will be used to buy fridge for his home, (24.7%) of them think that the borrowed money will be used to buy wood for current orders, while (21%) think that the borrowed money will be used to buy drill for his carpentry, and the remaining (3.2%) think that the borrowed money will be used to buy paints for his carpentry, and this from the perspective of respondents.

Differentiate between consumption and productive loans indicates to having and understanding some of the basic financial concepts, based on that we conclude that only about 51% of the students have these basics, at the same time this percent arises the questions of “what about the financial literacy of the second half of the respondents?” “what about the effectiveness of the subjects they have been studied?” and “what about students understanding of financial basic concepts?”

Table (5.19): Illustrates analysis of results for the fifteenth question “Ali is carpenter who recently borrowed some money from a local moneylender. His loan was consumption loan. What do you think he bought?”

Answer	Frequency	Percent
Drill for his carpentry.	73	21.0
Wood for current orders.	86	24.7
Fridge for his home.	178	51.1
Paints for his carpentry.	11	3.2
Total	348	100.0

5.3.10 The sixteenth question, which states “Suppose I have a savings account in a bank and the bank closes down for some reason, will I get my money back?”

The table (5.20) illustrates analysis of results for the sixteenth question, where the results indicate that (61.5%) of the respondents think that they will get their money back if the bank closed for some reason, while (62.1%) from them they do not know if the bank closed will get money back or not, while (12.4%) they do not think that they will get their money back if the bank closed for some reason.

Interestingly, that we found about 62% of the respondents knew that savings accounts are guaranteed, however about 26% of them don’t know if it’s recoverable or not which is lead us to conclude they may don’t have any idea about bank accounts or it’s types, as this reflects the basics of banking knowledge it leads the study to conclude that about 62% of students have high level of financial literacy in this regard.

Table (5.20): Illustrates analysis of results for the sixteenth question “Suppose I have a savings account in a bank and the bank closes down for some reason, will I get my money back?”

Answer	Frequency	Percent
Yes	214	61.5
No	43	12.4
Don't know	91	26.1
Total	348	100.0

5.3.11 The seventeenth question, which states “Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?”

The table (5.21) illustrates analysis of results for the seventeenth question, where the results indicate that only (50.3%) of the respondents think that the amount after 5 years will be more than \$102, while (23.9%) of them do not know whether the amount will be changed after 5 years.

This question is a significant question as it's used in many contributing articles prepared by key authors such as the study of Lusardi and Mitchell (2009), Jere R. Behrman, Olivia S. Mitchell, Cindy Soo, and David Bravo (2010), Annamaria Lusardi (2014) and many recent studies, in which the answer of this question give us reliable indicator about the level of financial literacy of the respondents. Furthermore, the basic skills in financial literacy, such as the ability to calculate a percentage or to convert from one currency to another, understand inflation and calculate interest rate, is supposed to be default skills for business and economic students. however, Adele Atkinson (2012) found that a relatively large proportion of people who could not calculate simple interest on a savings account over one year and then identify the impact of compounding over 5 years. Which complies with our results as only about half of the respondents could handle a simple interest rate calculation.

Table (5.21): Illustrates analysis of results for the seventeenth question “Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?”

Answer	Frequency	Percent
More than \$102	175	50.3
Exactly \$102	28	8.0
Less than \$102	18	5.2
Do not know	83	23.9
Total	348	100.0

5.3.12 The eighteen question, which states “Please tell me whether this statement is true or false. ‘Buying a single company’s stock usually provides a safer return than a stock mutual fund?’”

The table (5.22) illustrates analysis of results for the eighteenth question, where the results indicate that (66.1%) of the respondents think that the statement " Buying a single company’s stock usually provides a safer return than a stock mutual fund" is false, while (21.6%) of them they do not know if the statement " Buying a single company’s stock usually provides a safer return than a stock mutual fund" is true or false, Interestingly (12.4%) of them think that the statement " Buying a single company’s stock usually provides a safer return than a stock mutual fund" is true.

Financial literacy affects the probability to diversify portfolios, in our study we found that about 66% of the respondents have financial literacy in regards of portfolio diversification (Giofré, 2016). In such a case, found that higher financial education can be interpreted as helping individuals to better understand diversification benefits and functioning of markets, so as to induce higher responsiveness to investor protection rules. Which is complies with Grohmann et al. (2015b) findings, in which they conclude that the higher financial literacy is associated with better diversification of financial assets.

Table (5.22): Illustrates analysis of results for the eighteenth question “Please tell me whether this statement is true or false. ‘Buying a single company’s stock usually provides a safer return than a stock mutual fund?’”

Answer	Frequency	Percent
True	43	12.4
False	230	66.1
Do not know	75	21.6
Total	348	100.0

5.3.13 The nineteenth question, which states “Which of the following statements is correct? If somebody buys the stock of firm B in the stock market?”

The table (5.23) illustrates analysis of results for the nineteenth question, where the results indicate that only (62.4%) of the respondents think that the statement " He owns a part of firm B" is true, while (19.5%) of them do not know if the statement is true or false.

The results of this question give a direct indicator that only about 62% of the respondents actually understand the nature of the stocks. On other hand an interesting percent of about 38% of the respondents are in low level of financial literacy as they don’t know the ABC fundamental concepts of stock market.

Table (5.23): Illustrates analysis of results for the nineteenth question “Which of the following statements is correct? If somebody buys the stock of firm B in the stock market?”

Answer	Frequency	Percent
He owns a part of firm B	217	62.4
he has lent money to firm B	32	9.2
he is liable for firm B’s debts	17	4.9
none of the above	14	4.0
do not know	68	19.5
Total	348	100

5.3.14 The twentieth question, which states “Which of the following assets its holder is considered as owner and lender, respectively?”

The table (5.24) illustrates analysis of results for the twentieth question, where the results indicate that, surprisingly, only (8.6%) of the respondents think that the holder of the assets " Stocks and Bonds respectively" is considered as (owner and lender), while (21.8%) of them do not know which assets’ holder is owner nor lender.

Differentiating between stocks and bonds is one of the essentials that business and economic students learn in the first semesters in the universities. Therefore, when the results revealed that only about 58% of the respondents know the difference between stocks and bonds is relatively disappointing about the financial literacy of the rest of the students.

Table (5.24): Illustrates analysis of results for the twentieth question “Which of the following assets its holder is considered as owner and lender, respectively?”

Answer	Frequency	Percent
Savings accounts, Stocks	42	12.1
Bonds, Stocks	30	8.6
Stocks, Bonds	200	57.5
Do not know	76	21.8
Total	348	100.0

5.3.15 The twentieth-one question, which states “Stocks are normally riskier than bonds?”

The table (5.25) illustrates analysis of results for the twentieth-one question, where the results indicate that (58%) of the respondents think that Stocks are normally riskier than bonds, while (24.1%) of them do not think so, while (17.8%) do not know if Stocks are normally riskier than bonds or not.

Differentiating between the riskier of the stocks and bonds is significant issue that business and economic students have to understand and consider in their future financial decisions. While, it's disappointing that only about 58% of the respondents understand which of them is riskier.

Table (5.25): Illustrates analysis of results for the twentieth-one question “Stocks are normally riskier than bonds?”

Answer	Frequency	Percent
True	202	58.0
False	84	24.1
Do not know	62	17.8
Total	348	100.0

Financial literacy, nowadays recognized as an essential life skill, includes the knowledge and understanding of financial concepts, inflation, risks, and the skills, motivation and confidence to apply such knowledge and understanding in achieving financial well-being, the study finds that average familiarity with financial institutions weather it's formal or informal is about 38% in which it is a warning indicator for the students financial literacy level, also it is obvious that a high level of trust of informal financial parties is existing as respondents prefer investing with an experienced invertor. As the basic skills of financial literacy; the ability to calculate a percentage or to understand inflation, recognize insurance concept, differentiate between types of loans and banking accounts, calculate interest rate, benefit from diversifications, and to differentiate between stocks and bonds are supposed to be default skills for business and economic students, on average about 60% of the respondents have these basic financial skills. Interestingly, these findings lead the study to accept the main hypothesis which assumes that “households are financially literate”.

5.4 Financial Behavior and Financial Literacy

5.4.1 The twenty-second question, which states “How do you describe yourself in managing your money day-to-day?”

The table (5.26) illustrates analysis of results for the twenty-second question, where the results indicate that (55.5%) of the respondents describe their managing of daily financial matters as they are organizers, (18.7%) of them describe themselves as they are impulsive in their financial terms, while (16.4%) of the respondents are living for today without managing their own financial matters, and the remaining (9.5%) do not know how to describe themselves regarding the managing of financial matters.

Several studies discuss the necessity of managing personal finance and considered that a well manage of personal finance reflects a high level of financial literacy. Adele Atkinson (2012) found that a financially literate person will always have an idea of the amount of money they can afford to spend on a purchase, even if higher income individuals only need to know approximately. Although, OECD (2014) showed that financial literacy is concerned with the way individuals understand, manage and plan their own and their households’ financial affairs, and with their awareness and understanding of the overall financial and economic landscape they live in. As in this question we ask the respondents to describe in to what extent they organize their financial issues and make well-studied decisions. As well the percent of 16.4% of respondents live for today which interpreted in this way, those people do not consistently work towards long term goals.

Table (5.26): Illustrates analysis of results for the twenty-second question “How do you describe yourself in managing your money day-to-day?”

Answer	Frequency	Percent
I am financially organized	193	55.5
I am financially impulsive	65	18.7
I live for today	57	16.4
Do not know	33	9.5
Total	348	100.0

5.4.2 The twenty-third question, which states “Do you used to manage your personal finance and form your own financial targets and draw a personal current financial plan or budget based on that? ”

The table (5.27) illustrates analysis of results for the twenty-third question, where the results indicate that (60.6%) of the respondents are used to put their own financial plan or budget, while (30.5%) of them do not put any financial plan or budget, and (8.95%) do not know how to plan for their financial matters.

Only about 61% of the respondents have optimistic financial literacy level as they set their own financial plan, this high trend toward budgeting may due to the limited resources of income, in which households attempt to utilize their income in order to meet current and future needs, which also may lead the study to connect between the limited income and financial literacy. The rest of the respondents are away from financial literacy in which they live for today and they do not consistently work towards long term goals, based on the result, they are expected to have more financial obstacles in the future and tracked in the first financial challenges they may face

Table (5.27): Illustrates analysis of results for the twenty-third question “Do you used to manage your personal finance and form your own financial targets and draw a personal current financial plan or budget based on that?”

Answer	Frequency	Percent
Yes	211	60.6
No	106	30.5
Don't know	31	8.9
Total	348	100.0

5.4.3 The twenty-four question, which states “Which of the following institutions you already have dealt with? (Note: you can choose more than one option)”

The table (5.28) illustrates analysis of results for the twenty-four question, where the results indicate that (46.3%) of the respondents deals mostly with "commercial banks", while the lowest institutions have been mentioned by respondents are "lending institutions".

Based on the results the study concludes that the respondents are more familiar with commercial bank, exchange company and Islamic bank respectively, which in turn indicates that these institutions considered as the most vital source of financial literacy for the individuals who deal with. However, the lowest percent is showing people who deal with lending institutions, there is a recent trend toward benefiting from their financial services as they offer with lower commission than banks.

Table (5.28): Illustrates analysis of results for the twenty-four question “Which of the following institutions you already have dealt with? (Note: you can choose more than one option)”

Institutions	Dealt		No	
	Frequency	Percent	Frequency	Percent
Commercial bank	161	46.3	187	53.7
Islamic bank	122	35.1	226	64.9
Exchange company	156	44.8	192	55.2
Insurance company	54	15.5	294	84.5
Lending institutions	33	9.5	315	90.5

5.4.4 The twenty-five question, which states “What factor would be most important for you if you were to take out a loan/Murabaha? (Note: you can choose more than one option)”

The table (5.29) illustrates analysis of results for the twenty-five question, where the results indicate that (50.6%) of the respondents think that the "principal" is one of the most important standards are used in the case of obtaining a loan/Murabaha, while (34.5%) of them consider that the "institution" is one of the most important standards are used in the case of obtaining a loan/Murabaha

People are different in their needs therefore, their criteria in selecting products or services is different. Nevertheless, informed people are always going toward making informed decisions based on rational process, which in turns makes their selection differ than people who are uninformed. Particularly, financial services in most cases have a long term effects on individuals’ life, so it requires people to have enough financial information before making any financial decision. (Adele Atkinson, 2012) showed that the way people behave when choosing financial products is also an important aspect of their overall financial literacy. If people attempt to make an informed decision by shopping around or using independent advice they are more likely to choose appropriate products that meet their needs in a cost effective way, less likely to buy something inappropriate, and less likely to be subject to miss-selling or fraud. To sum up, as the individuals have more financial information as they will make better financial decisions.

Table (5.29): Illustrates analysis of results for the twenty-five question “What factor would be most important for you if you were to take out a loan/ Murabaha? (Note: you can choose more than one option)”

Standards	Use		No	
	Frequency	Percent	Frequency	Percent
Principal	176	50.6	172	49.4
Interest Rate (Profit Rate)	162	46.6	186	53.4
Term of the loan (Murabaha)	169	48.6	179	51.4
Repayment period	171	49.1	177	50.9
Institution	120	34.5	228	65.5

This category covers essential financial literacy skills, includes planning and managing of income and wealth over both the short term and long term, and in particular the knowledge and ability to monitor and budget income and expenses, as well as to make use of income and other available resources to enhance financial well-being. Adele Atkinson (2012) showed that the way people behave when choosing financial products is also an important aspect of their overall financial literacy. Therefore, students need to identify what is relevant and reflect on the consequences of taking a particular financial action in order to gain credit. On average the study finds about 60% of the students their expected behaviors reflect high level of financial literacy.

5.5 Family Background and Financial Literacy

5.5.1 The twenty-six question, which states “How do you describe your family in managing their money day-to-day?”

The table (5.30) illustrates analysis of results for the twenty-six question, where the results indicate that (59.8%) of the respondents describe their family in managing their financial matters as they are "financially organized", while (20.4%) of them describe them as "financially impulsive", however (10.6%) think their family "live for today", (9.2%) do not know how to describe their family in managing their financial matters.

Many social studies discussed the issues of family and its influential role on all aspects of life of the family members. Therefore, it's irrational to ignore the significant role of the family in influencing households' financial management, this role may be intentionally or spontaneously as when the family manage their money in an organized manner, households will learn the necessity of managing money and financial issues. Based on the results the study concludes that about 60% of the respondents have financially literate families, in which they organize their money by preparing plan, having budget or by discussing financial decisions with family members. And as a result it will improve the financial literacy of the family members.

Table (5.30): Illustrates analysis of results for the twenty-six question “How do you describe your family in managing their money day-to-day?”

Answer	Frequency	Percent
My family are financially organized	208	59.8
My family are financially impulsive	71	20.4
My family live for today	37	10.6
Do not know	32	9.2
Total	348	100.0

5.5.2 The twenty-seven question, which states “When your households have extra money exceed their needs from month to month, generally what do they do with the savings? (Note: you can choose more than one option)”

The table (5.31) illustrates analysis of results for the twenty-seven question, where the results describe respondents’ opinion about what their families do if they have extra money exceed their needs from month to month, in which buying mortgage or saving money in cash has been get the highest percentage by (41.7%) of respondents, while only (4.3%) of the respondents expect their families may go toward investing in the capital market and buying stocks, bonds, etc...

Based on the result the study found that about 42% of the respondents’ families go toward save money in term of mortgage or cash which express their risk aversion, while the percent of 40.2% shows that when household gained extra money they spend it on other new basics needs this result complies with the common economic rule that if income increase, consumptions and savings increase, and about 37% of the respondents’ families will use the extra money in repaying their debts, which reflects their high financial obligations.

For the first glance, it's clear that respondents' families prefer to use any extra money mainly in three usages: to cover basic needs so they prefer to save it in cash or mortgage, meet basic necessities directly, and repay debts, respectively, in fact these trends could be due to the limited income and endless needs, in other hand it reflects their low level of financial literacy as they think for today (spend extra money on basic needs and stop benefiting from it) rather than thinking of taking risk and invest the extra money to generate new income, which complies with the common financial rule that "high levels of uncertainty (high risk) are associated with high potential returns".

Table (5.31): Illustrates analysis of results for the twenty-seven question "When your households have extra money exceed their needs from month to month, generally what do they do with the savings? (Note: you can choose more than one option)"

Items	Yes		No	
	Frequency	Percent	Frequency	Percent
Basic necessities, education (for children), health, cash,	140	40.2	208	59.8
Invest it in the capital market (stocks, bonds, etc.)	15	4.3	333	95.7
Repay debt	124	35.6	224	64.4
Invest it in their own business	56	16.1	292	83.9
Buy gold and jewelry	64	18.4	284	81.6
Other (buy mortgage or save money in cash)	145	41.7	203	58.3

5.5.3 The twenty-eight question, which states “Did your family experience financial crises of their income over the last three years?”

The table (5.32) illustrates analysis of results for the twenty-eight question, where the results indicate that (62.2%) of the respondents’ families faced a financial crisis over the last three years, while (37.4%) of them their families do not faced any financial crisis over the last three years.

An expected results show that 62% of the respondents’ families have been faced financial problems, and as financially literate people will have strategies to smooth income flows and a tendency to avoid using credit for essentials such as food and utilities. Adele Atkinson (2012) found that strategies are successful will depend on the predictability of their income and expenditure as well as the extent to which they have the necessary skills. The study recognizes that it is not always possible to prevent shortfalls in income, but a reliance on credit for basic living can become very dangerous and impossible to escape. Based on that and complying with Grohmann et al. (2015b) who found that many factors will contribute and improve financial literacy as the father’s education, having a poor economic background and indicators for early experiences with money.

Table (5.32): Illustrates analysis of results for the twenty-eight question “Did your family experience financial crises of their income over the last three years?”

Answer	Frequency	Percent
Yes	218	62.2
No	130	37.4
Total	348	100.0

5.5.4 The twenty-nine question, which states “Is your family used to learn you how to budget and encourage saving (example: having a saving box or saving account)”

The table (5.33) illustrates analysis of results for the twenty-nine question, where the results indicate that (74.1%) of the respondents used to be encouraged by their families to customize savings, while (20.7%) of them has not been encouraged by their families to save, however (5.2%) do not know if their families encouraged them or not.

About 74% of the students are used to encourage by their families to save and budget, in this regard When Li (2014) examined that the likelihood of household investors to participate in stock market in the next five years increases substantially if their parents or children had made their first stock market investment during the previous five years. In addition, Iqbal (2016) suggested that information sharing between family members significantly affects investment in stock market. Based on the result and complying with the previous studies, the study expects that 74% of the students will have high financial literacy as they used to share financial information with their families and to budget their money in which family is the first source of information. Asserting on that, Leihaothabam (2016) found that family, relatives, friends and neighbours are internal sources that provide convenient access of finance with low-interest rates and risk, but are not sufficient to address all financial needs.

Table (5.33): Illustrates analysis of results for the twenty-nine question “Is your family used to learn you how to budget and encourage saving (example: having a saving box or saving account)”

Answer	Frequency	Percent
Yes	258	74.1
No	72	20.7
Don't know	18	5.2
Total	348	100.0

Family financial socialization particularly transferring parents’ own attitudes, behaviours and values in relation to money plays a crucial role in the financial literacy of children and young people. This category examines families’ attitudes and behaviours, as about 60% of the families are financially organized, in case of having extra money families trend to use it in satisfy basic needs rather than utilize extra money in investments, this behaviour may due to the limited income besides the low level of financial literacy. Around 62% of the students’ families face financial crises, however, most of the income shortfalls are irrevocable but managing it well may a cause for improving children and young financial literacy. Grohmann et al. (2015b) found that many factors will contribute and improve financial literacy as the father’s education, having a poor economic background and indicators for early experiences with money. Therefore, families play the first crucial role in learning children setting their own budget while sharing financial information among members.

5.6 Financial Experience and Financial Literacy

5.6.1 The thirty question, which states “Do you face any difficulties in making repayments?”

The table (5.34) illustrates analysis of results for the thirty question, where the results indicate that (61.8%) of the respondents do not face any difficulties in making repayments, while (38.2%) of them do.

These negative responses may be due to a variety of reasons including lack of money, lack of access to electronic payment facilities or a tendency to be disorganized or unwilling to meet responsibilities on time, which expresses the low level of financial literacy of the individuals, as they are unfamiliar with financial facilities.

Table (5.34): Illustrates analysis of results for the thirty question “Do you face any difficulties in making repayments?”

Answer	Frequency	Percent
Yes	133	38.2
No	215	61.8
Total	348	100.0

5.6.2 The thirty-one question, which states “What type of financial services do you use? (Note: You could choose more than one choice)”

The table (5.35) illustrates analysis of results for the thirty-one question where the results indicate that the most commonly financial services used are (Current account, Bank deposit, Bank debit card, Bank credit card) by (44.3%) of respondents, while lowest financial services used are (Consumer loan/Murabaha) by (9.5%) of respondents.

About 44% of the respondents use current account, bank deposit, bank debit card, bank credit card, in this regard many studies asserted on the necessity of having a bank account, in which the report of OECD (2014) authors showed that it is recognised that young people can learn about financial matters from a variety of sources, including their parents, friends, schools, extra-curricular activities, as well as through personal experiences such as opening a bank account. While, around 42% of the respondents used to deal with exchange companies and about 35% of them buying on credit. Based on that, it’s obvious that households use financial services to ease meeting their basic needs, while they are away from utilizing financial services in investment or generating wealth. However, using financial services is source for gaining financial information, but respondents still in need for using other financial services that would enhance their financial literacy which in turn encourage them to make informed financial decisions.

Table (5.35): Illustrates analysis of results for the thirty-one question “What type of financial services do you use? (Note: You could choose more than one choice)”

Items	Use		No	
	Frequency	Percent	Frequency	Percent
Consumer loan/Murabaha	33	9.5	315	90.5
Mortgage loan/Murabaha	32	9.2	316	90.8
Current account, Bank deposit, Bank debit card, Bank credit card	154	44.3	194	55.7
Investments in shares	37	10.6	311	89.4
Buying on credit from the electrical appliances shops, Money changers	122	35.1	226	64.9
Deal with exchange company	146	42.0	202	58.0

5.6.3 The thirty-second question, which states “Which of the following best describes your current debt position?”

The table (5.36) illustrates analysis of results for the thirty-second question, where the results indicate that (44.3%) of the respondents describe their current debt position as "they don't have any debt", while (19%) of them have too much debt right now and they have or may have difficulty paying it off, other (19%) think that they have about the right amount of debt right now and they face no problems with it, although (17.8%) of them have too little debt right now and they wish they could get more.

About 44% of the respondents don't have debt, this percent has double sided justifications, in which it may reflect a good level of financial literacy and the ability of respondents to handle and accommodate their needs with their income, or it may be due to the difficulty they face in case of requesting debt from banks or from lending institutions, as many collaterals are difficult to obtain by young people. However, about 18% of the respondents have little debts and are in need for more, in this stand the study concludes that, the need for debt does not always reflect a bad indicator for financial literacy, in which having financial literacy is connected with making the right financial decisions regardless of whether the decisions concern making new financial obligations or new opportunities to get income.

Table (5.36): Illustrates analysis of results for the thirty-second question “Which of the following best describes your current debt position?”

Answer	Frequency	Percent
I have too much debt right now and I have or may have difficulty paying it off.	66	19.0
I have about the right amount of debt right now and I face no problems with it.	66	19.0
I have too little debt right now. I wish I could get more	62	17.8
I don't have any debt.	154	44.3
Total	348	100.0

5.6.4 The thirty-third question, which states “Which of the following statement describes your payment status with financial dues to (bank, commercial shops, family or friends)?”

The table (5.37) illustrates analysis of results for the thirty-third question, where the results indicate that (75%) of respondents pay their financial dues on a regular basis, while (19%) of them sometimes pay their financial dues, however (6%) do not pay any financial dues.

About 75% of the respondents committed to their financial obligations, based on that the study supposes that those who are well obligated in making payments, have high financial level of financial literacy as they manage and budget their income in a way that enable them making payments regularly. While about 19% and 6% of the respondents are in need for improving their financial literacy as they don’t recognize the consequences of delaying or ignoring making the payments on time, in which many financial and judicial penalties may be imposed on them, as the lending institutions have the right to use the submitted collaterals against their unacceptable deeds.

Table (5.37): Illustrates analysis of results for the thirty-third question “Which of the following statement describes your payment status with financial dues to (bank, commercial shops, family or friends)?”

Answer	Frequency	Percent
I am doing my payments regularly	261	75.0
I was late in payments sometimes	66	19.0
I do not do repayment	21	6.0
Total	348	100.0

Financial experience contributes significantly in improving individuals’ financial literacy, in which individuals gain financial information by themselves. On average the students’ responses to the questions related to financial experience complies with the results of the questions examined their financial literacy.

Therefore, the study finds that one of the most critical tool to improve financial literacy is giving individuals opportunities to practice how to utilize their financial information and find their weaknesses by themselves.

5.7 Social Capital and Communication and Financial Literacy

5.7.1 The thirty-four question, which states “Do you have an interpersonal confidence about your friends and family existing skills and abilities in which you willing to learn from them?”

The table (5.38) illustrates analysis of results for the thirty-four question, where the results indicate that (82.2%) of respondents have an interpersonal confidence about their friends and family existing skills and abilities to learn from them, while (17.8%) from them do not in which they depend on themselves.

As social capital is one of the sources for gaining information and skills particularly financial information. So we conclude 82% of the respondents are expected to have a high financial literacy in the future as they have confidence with surrounding social capital. Iqbal (2016) showed that financial advice from professionals has a positive impact on trading, as it allows investors to better analyze their own skills and, therefore, leads to more rational trading decisions. Although thus results indicate that respondents are willing to obtain financial information and skills from others as they don’t have these financial skills

Table (5.38): Illustrates analysis of results for the thirty-four question “Do you have an interpersonal confidence about your friends and family existing skills and abilities in which you willing to learn from them?”

Answer	Frequency	Percent
Yes	286	82.2
No	62	17.8
Total	348	100.0

5.7.2 Academic level of the father and mother

Figure (5.4) shows analysis of results of respondents according to academic level of the father and mother, where the results indicates that (37.4%) of respondents the academic level of their fathers is "bachelor degree", while (44%) from them the academic level of their mothers is "high school".

As a result, when an overall assessment is made, it is seen that the ratio of the parents with Bachelor's degrees is very low. Parents with lower levels of education, income or wealth are thus probably less well-equipped than other parents to transmit financial literacy to their children (Adele Atkinson, 2012). About 30% of the respondents who answer the inflation question "A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?" right their mothers have a bachelor degree, while about 43% of them their fathers have a bachelor degree which consistent with A. Lusardi et al. (2009b) who showed that financial knowledge among the young is strongly influenced by family background. Respondents whose mothers had a college education were more likely to understand inflation. these results lead to conclude that people will have a higher financial literacy as their parents have higher educational level.

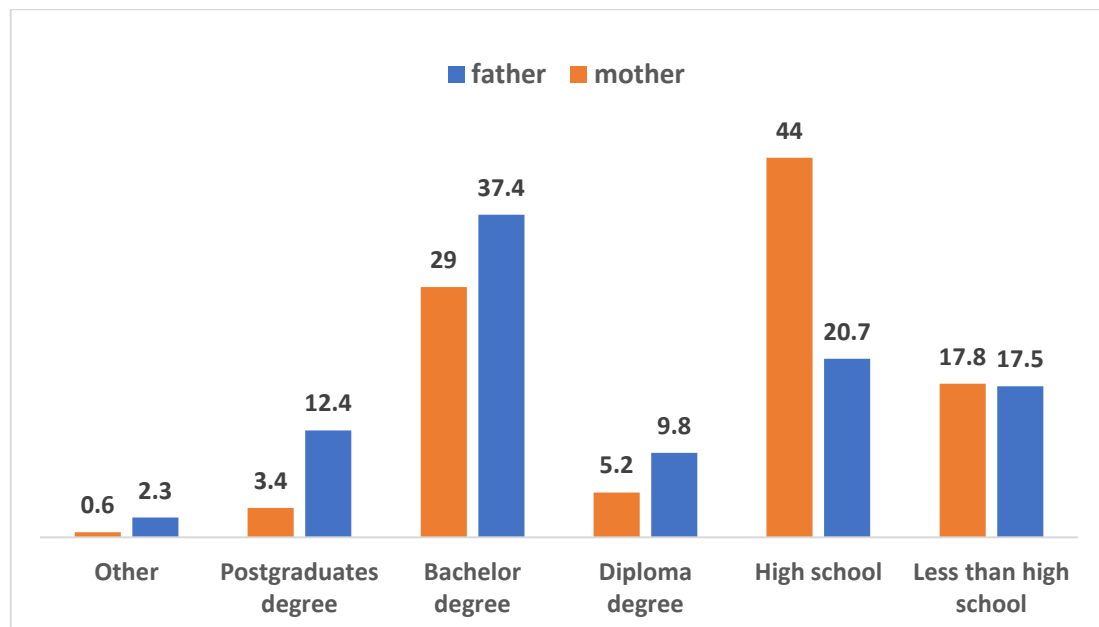


Figure (5.4): Distribution of respondents according to Academic level of the father and mother

5.7.3 Job of father and mother and their work field

5.7.3.1 Father's job and his work field

The table (5.39) shows analysis of results of respondents according to their father's job, where the results indicate that (67.8%) of the respondents' fathers have a job, (46.6%) of them their fathers work in public sector, (47.9%) their fathers work in private sector, and (5.5%) their fathers work in NGO. However, (32.2%) of the respondents their fathers do not have a job.

About 68% of the respondents' father have jobs and majority of them have a private job, which have a direct effect on their children as it's common in Gaza community that most of the families who have a private business, their children will work in their family's business. Therefore, the study finds that students who are their fathers have jobs especially private jobs are expected to have higher financial literacy than their peers as they are familiar with businesses and financial matters. Furthermore, about 64% of the students who are their fathers have jobs could answer inflation question of "Let's assume that in 2017 your income is twice as now, and the consumer prices also grow twofold. Do you think that in 2017 you will be able to buy? (more, same, less)", and about 53% of the students who are their fathers have jobs could calculate the simple interest rate accurately and answer the question of "Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?". Answering questions related to inflation and interest rate provide an obvious indicator for having positive level of financial literacy. In short the study concludes that that students who are their fathers have jobs are expected to have high level of financial literacy.

Table (5.39): Shows analysis of results of respondents according to their father's job and the natural of his work

Job	Father	
	Frequency	Percent
Yes	236	67.8
No	112	32.2
Total	348	100.0
If YES, please answer the following questions: What kind of jobs do you father practices?		
Public	110	46.6
Private	113	47.9
NGO	13	5.5
Total	236	100.0

5.7.3.2 Mother's job and her work field

The table (5.40) shows analysis of results of respondents according to their mother's job, where the results indicate that (20.1%) of the respondents' mothers have a job, in which (54.3%) of these working mothers work in public sector, (21.4%) work in private sector, and the rest (24.3%) work in NGO. However, (79.9%) of the respondents' mothers do not have a job.

Only about 20% of the respondents' mothers have jobs while the rest are housewives. Based on the results and regardless of the nature of the mothers jobs the study expects that students who's their mothers work, will have higher financial literacy than their peers, as the family members share financial information and making financial decisions. In addition, about 59% of the students who are their mothers have jobs could answer inflation question of "Let's assume that in 2017 your

income is twice as now, and the consumer prices also grow twofold. Do you think that in 2017 you will be able to buy? (more, same, less)”, and about 54% of the students who are their mothers have jobs could calculate the simple interest rate accurately and answer the question of “Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?”. Answering questions related to inflation and interest rate provide an obvious indicator for having positive level of financial literacy. In short the study concludes that that students who are their mothers have jobs are expected to have high level of financial literacy.

Table (5.40): Shows analysis of results of respondents according to their mother's job and the natural of her work

Job	Mother	
	Frequency	Percent
Yes	70	20.1
No	278	79.9
Total	348	100.0
If YES, please answer the following questions: What kind of jobs do you father practices?		
Public	38	54.3
Private	15	21.4
NGO	17	24.3
Total	70	100.0

5.7.4 The thirty-five question, which states “Do your family have their own private business?”

The table (5.41) illustrates analysis of results for the thirty-five question, where the results indicate that (59.8%) of the respondents’ families do not have a private business, while (32.2%) of them their families have their own private business, and (8%) do not know if their families have a private business.

As financial knowledge can be passed on from parents to children. A. Lusardi et al. (2009b) found that people whose families had stocks or retirement savings were more financially literate, specifically on questions related to advanced financial knowledge, such as the workings of risk diversification. Based on that the study supposes that 32.2% of the respondents have higher financial literacy than their peers as their families have their own private business and they are familiar with financial issues.

Table (5.41): Illustrates analysis of results for the thirty-five question “Do your family have their own private business?”

Answer	Frequency	Percent
Yes	112	32.2
No	208	59.8
Don’t know	28	8.0
Total	348	100.0

5.7.5 The thirty-six question, which states “Do you have a family member with professional experience (you have a strong relationship with him / her) share with him/ her the opinion and support in financial matters and decisions?”

The table (5.42) illustrates analysis of results for the thirty-six question, where the results indicate that (69.3%) of the respondents share making financial decisions with one of her/his family member who has a professional experience, while (30.7%) of them do not share financial matters and decisions with any family member.

Family members are the most influential source of information, therefore people who have professional family member will be more financially informed than her/his peers, Iqbal (2016) showed that active investors are more extensively involved in social interaction than passive investors; therefore, informal communication in active investors is more likely to promote investment strategies. Based on that the study concludes that about 69% of the respondents are expected to have higher financial literacy than their colleagues.

Table (5.42): Illustrates analysis of results for the thirty-six question “Do you have a family member with professional experience (you have a strong relationship with him/ her) share with him/ her the opinion and support in financial matters and decisions?”

Answer	Frequency	Percent
Yes	241	69.3
No	107	30.7
Total	348	100.0

5.7.6 The thirty-seven question, which states “Do you have a friend with professional experience (you have a strong relationship with him / her) share with him/ her the opinion and support in financial matters and decisions?”

The table (5.43) illustrates analysis of results for the thirty-seven question, where the results indicate that (71.3%) of the respondents share making financial opinions and decisions with friends have a professional experience, while (28.7%) of them do not share making financial opinions and decisions with friends.

Hong et al. (2004) proposed a model showing that social interaction may partly influence stock market participation. They argued that social investors find stock market more attractive when their peers participate in trading activity (Iqbal, 2016). Based on that, the study concludes as about 71% of the respondents have professional friends who support them in financial decisions they are expected to

have high financial literacy than their colleagues. Which also complies with (A. Lusardi et al., 2009b) who found that peer characteristics may also play a role in explaining differences in financial literacy.

Table (5.43): Illustrates analysis of results for the thirty-seven question “Do you have a friend with professional experience (you have a strong relationship with him / her) share with him/ her the opinion and support in financial matters and decisions?”

Answer	Frequency	Percent
Yes	248	71.3
No	100	28.7
Total	348	100.0

5.7.7 The thirty-eight question, which states “Does your Family encourage you regarding challenges and overcome financial difficulties?”

The table (5.44) illustrates analysis of results for the thirty-eight question, where the results indicate that (78.2%) of the respondents are encouraged by their family in facing challenges and overcome difficulties, while (14.7%) of them are encouraged by their families to some extent, and (7.2%) of them their family do not encourage them.

Based on the result the study concludes that about 78% of the respondents are expected to be financially literate as they get support and courage from family in case of facing any financial challenges, as the family is the first source of financial information. Iqbal (2016) justified that as he found, a close friend or family member knows your interests on a deeper level and hence tend to give more emotional and moral support as compare to the financial advisor.

Table (5.44): Illustrates analysis of results for the thirty-eight question “Does your Family encourage you regarding challenges and overcome financial difficulties?”

Answer	Frequency	Percent
Yes	272	78.2
No	25	7.2
To some extent	51	14.7
Total	348	100.0

5.7.8 The thirty-nine question, which states “Do you have interpersonal relations with people who work in financial entities?”

The table (5.45) illustrates analysis of results for the thirty-nine question, where the results indicate that (64.9%) of the respondents have an interpersonal relation with people who work in financial entities, while (35.1%) of them do not have.

Social capital has the largest effect on people especially in financial issues. Many studies showed that people who have a direct interaction with professionals will have higher financial literacy. Iqbal (2016) found that openness individuals adjust their portfolios more when they get advice from professionals.

Table (5.45): Illustrates analysis of results for the thirty-nine question “Do you have interpersonal relations with people who work in financial entities?”

Answer	Frequency	Percent
Yes	226	64.9
No	122	35.1
Total	348	100.0

5.7.9 The fortieth question, which states “Do you have an interpersonal relation with business people?”

The table (5.46) illustrates analysis of results for the fortieth question, where the results indicate that (51.1%) of the respondents do not have an interpersonal relation with business people, while (48.9%) of them have an interpersonal relation with business people.

The result indicates that about 49% of the respondents expected to have high financial literacy as they have interpersonal relations with professional people. Asserting on that Iqbal (2016) found that overconfident investors trade less intensively when they collect information from interpersonal sources as compared to when they collect it from specialized sources or from financial advice from professionals.

Table (5.46): Illustrates analysis of results for the fortieth question “Do you have an interpersonal relation with business people?”

Answer	Frequency	Percent
Yes	170	48.9
No	178	51.1
Total	348	100.0

Undoubtedly, benefiting from social capital significantly contributes in improving financial literacy. In which utilizing social capital starts within the family by benefiting from parents’ financial knowledge and experiences, in which, Shim et al. (2009, 2010) find that parental teaching has a stronger influence on the financial knowledge of first year college students than financial education in high school and early experience with money.

5.8 Testing Hypotheses:

The Pearson correlation coefficient has been used to test the hypotheses and the correlations between the study variables. In which statistically, null hypothesis (Ho) assumes that there is no statistically significant relationship, while the alternative hypothesis (H1) assumes a statistically significant relationship, the study shows the validity of the hypotheses test results based on 0.05 significant level, as the null hypothesis is rejected and the alternative hypothesis is accepted if the sig value is below the 0.05 level; in which the relationship is significant.

In order to test the main hypothesis which assumes households are financial literate, the study test the sub-hypotheses. The following are the test results of the hypotheses to verify the relationship between financial literacy and study variables:

H 2: There are statistically significant differences at 0.05 level among the respondents toward “financial literacy for Students at the faculty of Commerce” due to Socio-demographic characteristics

Students' responses to the study questionnaire of the socio-demographic characteristics questions in which the demographic variables; (gender, having job, listening to financial and economic bulletins, reading the daily economic news, dealing with banks and risk aversion preferences). To test this hypothesis T test has been used for the independent variable that have two groups such as gender. While, the One Way ANOVA test has been used to test the differences attributed to other variables consisting of more than two groups. Although, LDS test has been used to find the least significant differences

Table (5.47): Illustrates the results of the hypothesis test

Factors	Mean	Test statistic	Sig.	Comment
Gender				
Male	12.9	T=-1.21	0.227	There is no significant difference.
Female	13.5			
Did you have any university courses in Finance or Economy				
Yes	13.3	T=3.225	0.003	There are significant differences.
No	10.7			
Do you have paid/unpaid job				
Yes	14.2	T=3.750	0.000	There are no significant differences.
No	12.5			
Do you used to listen to the daily economic bulletin?				
Always	15.0	F=1.12	0.332	There are no significant differences.
Sometimes	13.7			
Rarely	12.6			
Never	11.1			
Do you used to read daily economic newspaper (printed or electronic)?				
Always	14.5	F=5.07	0.002	There are significant differences.
Sometimes	13.5			
Rarely	13.6			
Never	11.5			
Have you ever dealt with the banks?				
Yes	14.1	5.24	0.000	There are significant differences.
No	11.6			
Imagine you are going to receive amount of money; would you prefer to receive 2,500\$ today or 3,000\$ in 80 days?				
Today, receive 2,500\$	13.4	2.07	0.039	There are significant differences.
In 80 days, receive 3,000\$	12.3			

The test shows the following findings:

- There are no statistically significant differences in the students' financial literacy due to the gender, at a significance level of 0.05.
- There are a statistically significant differences in the students' financial literacy due to the differences in the variable of a studying financial or economic courses, at a significance level of 0.05.
- There are a statistically significant differences in the students' financial literacy due to the differences in the variable of having job, at a significance level of 0.05.
- There are a statistically significant differences in the students' financial literacy due to the differences in the variable of listening to financial and economic bulletins. The tests of Post hoc has been used to find out the exact differences, where the differences between listening to the economic bulletins always and rarely in favour for those who always listen to the economic bulletins with an average difference of (2.318) degree. Also, there are differences between those who listen to economic bulletins always and never, as the differences are in favour of those who listen to economic bulletins always, with an average difference of (3.853). While, there are differences between those who listen to economic bulletins sometimes and rarely where the differences for the benefit of those who listen to the economic bulletins sometimes with an average differences of (1.076) degrees. In addition, there are differences between those who listen to economic bulletins rarely and never where the differences for the benefit of those who listen to the economic bulletins rarely with an average differences of (1.535) degrees, at the level of 0.05.
- There are a statistically significant differences in the students' financial literacy due to the differences in the variable of reading economic news. The tests of Post hoc has been used to find out the exact differences, where the differences between those who read the daily economic news always and never in which the differences are in favour of those who always read the daily economic newspaper with an average difference of (2.981) degree, also there are differences between those who read the daily economic news sometimes and rarely in which the differences are in favour of those who read the daily economic newspaper sometimes with an average difference of (1.931) degree, while, there are

differences between those who read the daily economic newspaper rarely and never, these differences are for the benefit of those who read the daily economic newspaper rarely with an average difference of (2.020) degree, at the level of 0.05.

- There are a statistically significant differences in the students' financial literacy due to the differences in the variable of dealing with banks, the differences are in favour of students who deal with banks, at a significance level of 0.05.
- There are a statistically significant differences in the students' financial literacy due to the differences in the variable of risk aversion preferences, the differences were in favour of the students who prefer to receive \$ 2500. This means that students prefer avoiding risk, at a significance level of 0.05.

H 3: Financial experience has statistical significant relationship with financial literacy at 0.05 level. When testing the relationship between the "financial literacy" and " financial experience " the obtained Pearson correlation is ($r = 0.348$). This correlation is statistically significant at 0.05, where the value of the calculated significance ($Sig=0.000$). This indicates a statistically significant relationship between financial experience and financial literacy of the students of the Faculty of Commerce in the universities of the Gaza Strip. Thus the study accepts the alternative hypothesis that assumes financial experience has statistical significant relationship with financial literacy at 0.05 level

Table (5.48): Illustrates the test of the relationship between Financial experience and financial literacy

Variable	Variable (Financial literacy)		
	N	Pearson Correlation	Sig. (2-tailed)
Financial experience	348	0.348*	0.000

* Significant at the 0.05 level

H 4: Financial literacy has statistical significant relationship with financial behavior at 0.05 level. When testing the relationship between the "financial literacy" and the "financial behavior" the obtained Pearson correlation is ($r = 0.506$). This

correlation is statistically significant at 0.05, where the value of the calculated significance (Sig = 0.000). This indicates a statistically significant relationship between the financial literacy and the financial behavior of the students of the Faculty of Commerce in the universities of the Gaza Strip. Thus the study accepts the alternative hypothesis that assumes financial literacy has statistical significant relationship with financial behavior at 0.05 level.

Table (5.49): Illustrates the test of the relationship between financial literacy and financial behavior

Variable	Variable (Financial Behavior)		
	N	Pearson Correlation	Sig. (2-tailed)
Financial literacy	348	0.506*	0.000

* Significant at the 0.05 level

H 5: Family background has statistical significant relationship with financial literacy at 0.05 level. When testing the relationship between "financial literacy" and "family background" the obtained Pearson correlation is ($r = 0.189$). This correlation is statistically significant at 0.05, where the value of the calculated significance (Sig=0.000). This indicates a statistically significant relationship between Family background and financial literacy of the students of the Faculty of Commerce in the universities of the Gaza Strip. Thus the study accepts the alternative hypothesis that assumes family background has statistical significant relationship with financial literacy at 0.05 level.

Table (5.50): Illustrates the test of the relationship between family background and financial literacy

Variable	Variable (Financial literacy)		
	N	Pearson Correlation	Sig. (2-tailed)
Family background	348	0.189*	0.000

* Significant at the 0.05 level

H 6: Social capital and communication have statistical significant relationship with financial literacy at 0.05 level. When testing the relationship between the "financial literacy" and " social capital " the obtained Pearson correlation is ($r = 0.143$). This correlation is statistically significant at 0.05, where the value of the calculated significance ($Sig=0.008$). This indicates a statistically significant relationship between social capital and financial literacy of the students of the Faculty of Commerce in the universities of the Gaza Strip. Thus the study accepts the alternative hypothesis that assumes social capital and communication have statistical significant relationship with financial literacy at 0.05 level.

Table (5.51): Illustrates the test of the relationship between Social capital and financial literacy

Variable	Variable (Financial literacy)		
	N	Pearson Correlation	Sig. (2-tailed)
Social capital	348	0.143*	0.008

* Significant at the 0.05 level

The main hypothesis which assumes that household are financial literate is accepted due to the acceptance of the sub-hypotheses, in which testing the study hypotheses illustrates that:

- There are a differences between students' financial literacy due to the differences in soio-demographic characteristics.
- There is a significant relationship between financial experience and financial literacy, in which people who have financial experience have higher level of financial literacy.
- There is a significant relationship between financial behaviour and financial literacy, as people who have higher level of financial literacy have a positive financial behaviour.
- There is significant relationship between family background and financial literacy in which people who have family organize their financial issues well,

have higher level of financial literacy than those who their families are in financial mess.

- There is a significant relationship between social capital and financial literacy, as it's obvious that people who have friends or acquaintances work in financial institutions, have high level of financial literacy.

5.9 Focus Group Analysis and Findings:

Preparing for the Focus Group:

The researcher identifies the main objective of the focus group, which are;

1. Discuss the findings of the questionnaire of the financial literacy research,
2. define and justify the reasons behinds the low level of financial literacy and
3. find solutions to improve financial literacy.

Carefully, the researcher develops focus group questions. The focus group has taken about an hour, which was enough time to cover 3 basic questions, which are; To what extent do you have confidence with the results, how do you explain that a third or more of the students have low level of financial literacy, how students' financial literacy could be improved? those questions and some snowball questions have been raised during the discussion. The participants were invited via emailing them to the meeting. Focus groups was consisted of 5 professors who are professionals in their fields of finance, economy and accounting. Proposed agenda, questions up for discussion, and time/location details have been sent to the invitees by email and mobile messages. Three hours before the focus group time a gentle reminder mobile messages have been sent with details of the meeting to all invitees.

The Focus Group Procedure:

- The researcher begins the session introducing herself and welcoming the participants then starts explaining the needs and reasons behind conducting and recording the focus group discussion.
- A brief background presentation has been presented by researcher showing the key findings and results of the research questionnaire analysis, those findings raised questions that the researcher carefully word each question to the group.

- Before opening the discussion, everyone took a few minutes to carefully record his or her responses and comments.
- Researcher facilitates discussion around the answers to each question, one at a time.
- Researcher closes the session by thanking the participants and telling them that they will receive a copy of the report generated as a result of the discussion.

Discussion:

Throughout the session professionals justified many findings, agreed on others at the same time made recommendations and suggested possible solutions that significantly contribute to the validity of the study results. In which the key justifications and opinions according to the study dimensions are as the following:

Socio-Demographic Characteristics:

- Professionals agreed on the result of having jobs by students as they supposed that students who have jobs are mostly postgraduate students.
- Some of the professionals justified the students' low interest of reading economic and financial newspapers and listening to the financial and economic bulletin, by expecting students do not have a clear financial, economic and business perspectives for their future career. In other words, they concentrate on literal and theoretical meaning of studying commerce, while they are far away from its practical and professional side.
- Professionals supposed that students who found themselves risk seekers are in fact gamblers as risk taking based on gathering information, analyzing situation and building expectation based on that. While most of the students do not read financial and economic news. Though, professionals pointed out to the necessity for students to differentiate between risk taking and gambling.

Basics of Financial Literacy:

- Professionals discussed the reasons behind the students' low familiarity with financial institutions (Palestine Monetary Authority, banks, lending institutions, stock market and insurance companies) and concluded that it may due to the lack of financial courses including sections talk about financial institutions and link

between the content of financial courses and the status of the local financial market.

- Some of the attendants recommended that financial courses have to include sessions inviting professional people who work in financial institutions, in which throughout the sessions students obtain practical information and learn from others' professional experience which ease students' understanding.
- As about half of the students prefer to invest their money with informal investors rather than with formal financial institutions, the professionals justified the tendency to invest with informal investors is due to the obvious low level of students' financial literacy, in which they do not have self-confidence to invest by themselves nor trust financial institutions to invest with them. Therefore, professional asserted on the real need for students' awareness about the risks and seriousness of dealing with informal investors, and on other side the cons and pros of investing with formal financial institutions.
- An understanding of inflation, insurance, and portfolio diversification concepts forms less than two thirds of the students, professional found that it's a very serious indicator, in which these concepts are the fundamentals of the financial and economic literacy. They supposed that the main problem is that students could not link what they learn theoretically with practical status. One of the attendance think this low level of understanding my due to the lack of concentration of financial courses discussing these concepts particularly.
- Calculate simple interest rate, differentiate between stocks and bonds, and between types of loans are fundamentals of financial and economic literacy, therefore, professionals wondered of the research findings in this regard as only about fifty percent of the students are able to calculate simple interest rate, while a few little more could differentiate between stocks and bonds and loans types. Professionals asserted on the need for serious investigation of the reasons behind the students' low level of financial literacy. While, they thought mostly students do not know how to employ their knowledge effectively may due to lack of financial skills required to translate knowledge into practices.

- However, professionals agreed on the results of other basics of financial literacy as; understanding portfolio diversification and realizing banking accounts which in their opinions reflect the reality.

Family Background:

- Professionals agreed on the students' description of their families' financial performance as they are organized in planning, managing and budgeting their money. As the result closes to the result of the students' personal financial behavior, professionals concluded the similarity of the results is due to the significant influential role that family plays in shaping the individuals' financial behavior.
- Professionals found that facing financial crises by majority of the students' families is completely normal because of the difficult economic and political conditions in Gaza Strip, which affect negatively on Gazans financial life. However, they thought students whose their families are facing financial challenges would have higher financial literacy level than other students, as they obtain financial experience earlier.

Financial Experience:

- Professionals found a clear gap in the students understanding of planning and managing personal financial issues in which, about 58% of the students describe themselves as organized in managing their finance, while about 74% face financial crises. Based on the contradictory, professionals supposed that students do not recognize what financial planning and managing means practically, and how to utilize and employ the theoretical financial knowledge they have in budgeting their finance.

Social Capital:

- Interestingly, the impact of social capital on gaining financial knowledge and improving financial literacy raised argument, as about two thirds of students who have social capital have a financial literacy gained from their professional acquaintances, therefore, professionals found that social capital is one of significant financial sources play a vital role in influencing individuals knowledge and improving behavior effectively.

In short, professionals found that questionnaire results are a warning indicators of the students' financial literacy level. They recommended that there is an insisting needs for enhancing the role of the universities in Gaza Strip in improving financial literacy by; Firstly, they suggest that universities have to accommodate and match between financial courses content and the local market by enriching financial courses with sections discussing local financial institutions; local banks, lending institutions, insurance companies and stock market exchange. Secondly, they thought it would be beneficial for students to communicate with professionals who work in financial institutions or who have financial experience, by conducting regular sessions enabling professionals share their personal and career experience and allow students to participate in discussions and find answers to their inquiries. Thirdly, they asserted on the significant of the students' practical activities and assignments as it facilitates gaining financial information. Finally, they stressed on the role of the ministry of high education in coordinating between universities and imposing guidelines and systematic program that help universities to improve students' financial literacy level.

Chapter 6

Conclusion and

Recommendations

Chapter 6

Conclusion and Recommendations

6.1 Conclusion:

The insisting need to make students self-sufficient and responsible enough to handle and face challenges of their personal and societal financial life, motivates researcher to study financial literacy for students. This study aims to highlight the financial literacy level of students, though, examines in multiple university the financial literacy of bachelor senior students who are at the fourth level and graduate students (master). Although, illustrates how financial literacy significantly associated with socio demographic characteristics, financial education, financial behavior and experience, family background and financial status, and social capital.

However, the subject has a wide range of dimensions, the researcher covers the subject as possible. In the light of the study results, researcher concludes some findings which are presented below based on the study dimensions.

Socio-Demographic Characteristics and Financial Literacy:

Based on the analysis of socio-demographic characteristics a significant correlation with financial literacy has been highlighted. In which the respondents are university students, most of them are business students and about 92% of them studied financial courses, it is supposed that they have high level of financial literacy, while surprisingly, the results show unexpected findings;

- Only about 6.6% of the respondents listen to daily financial and economic bulletin.
- Only about 5.5% of the respondents read daily economic newspaper.
- About 62% of the respondents have bank account, and make the basic banking transactions.
- About 77% of the respondents show risk aversion preferences.

The results indicate that there is an obvious low level of students' interest in obtaining financial information, which reflects a low level of financial literacy, in which majority of the students rarely follow economic and financial news as they are away from the daily bubbling financial issues, also a high level of risk aversion shown by the respondents as they prefer to receive less money today rather than wait

and get more. The findings comply with the study of OECD (2014) that finds the motivation to seek information and advice in order to engage in financial activities, the confidence to do so, and the ability to manage emotional and psychological factors that influence financial decision making are considered as a goal of financial education, as well as being instrumental in building financial knowledge and skills.

Basic Concepts of Financial Knowledge and Financial Literacy:

This study examines whether students are financially literate. The results analysis indicate that students have low level of financial literacy, based on critical findings;

- The students' familiarity with financial institutions whether formal or informal rang within (26-46) %.
- Half of the students have the confidence to invest their money with informal experienced investors.
- Only half of the students have the ability to calculate interest rate correctly, while only about two thirds of the students well recognize basic financial concepts; inflation, insurance, differentiate between stocks and bonds and portfolio diversification.

A clear gap in the students' knowledge regarding financial institutions besides a high trend to trust of informal financial parties as respondents prefer investing with an experienced investor rather than with formal financial institutions., however, financial local market recently faced several cases of investors who have been bankrupted as they depended on informal investors. These results are requiring educational institutions (universities and high education ministry) to intervene to comply between curriculums and local financial market. Unfortunately, regarding the basic financial literacy concepts there is critical red flag of warning has to be considered by educational institutions, especially for young who are going to face along array of future financial decisions, which require them to be well financially informed and knowledgeable.

Financial Behavior and Financial Literacy:

As financial behavior is the practical reflection of financial literacy, the study analysis describes students' financial literacy based on their financial behavior. The study results show;

- On average about 60% of the students are financially literate as they used to be financially organized and set their own budgets to achieve personal financial goals.

- Most of the students have been dealt with banks, while very few of them have been dealt with lending institutions which reflects their limited knowledge about those lending institutions.
- Students believe in the importance of considering all factors while making borrowing decisions.

Students recognitions of the important factors reflecting on the consequences of a particular financial action. Based on that, the study finds about 60% of the students expected behaviors reflect high level of financial literacy. However, Adele Atkinson (2012) showed that the way people behave when choosing financial products is also an important aspect of their overall financial literacy.

Family Background and Financial Literacy:

Family background and financial socialization play a significant role in shaping family members' financial literacy whether intentionally or spontaneously, the analysis of results shows;

- Organizing money and managing day-to-day financial activities are followed by about 60% of students' families.
- Most of the students' families trend to spend extra money on new basic necessities or save it in term of mortgage or cash.
- About 62% of the students' families facing financial crises.

Organizing and budgeting money do not always is due to limited income, but it is more significantly correlated with high level of financial literacy. However, most of the income shortfalls are irrevocable but managing it well may a cause for improving young financial literacy as it is considered an early financial experience. Complying with Grohmann et al. (2015b) who found that many factors will contribute and improve financial literacy as the father's education, having a poor economic background and indicators for early experiences with money.

Financial Experience and Financial Literacy:

The findings indicate that financial experience contributes significantly in improving financial literacy, as the results show that;

- More than third of the students who have financial obligations face difficulties in make payments.

- About 43% of students use banking services and deal with exchange companies.
- Majority of respondents do not have financial obligations, however, 75% of those who have financial debts are committed to make payments on time.

Interestingly, the study supposes that those who use financial services or have financial obligation and well obligated in making payments, have high level of financial literacy as they obtaining financial knowledge through their own experiences.

Social Capital and Financial Literacy:

Social capital plays critical role in influencing students financial literacy, the most influential social factor is played by parents, in which the study analysis finds that;

- Students who their parents have high educational level and have jobs are expected to have high level of financial literacy as they are able to answer questions related to inflation and interest rate which provide an obvious indicator for having positive level of financial literacy, which complying with Adele Atkinson (2012) how found that parents with lower levels of education, income or wealth are thus probably less well-equipped than other parents to transmit financial literacy to their children.
- Students who their families have private business are more likely to be familiar with financial knowledge.
- Although, the study results show that having professionals or family members work in financial institutions affect positively on students' financial knowledge.

On other words social acquaintances have a direct impact on improving individual financial behaviors, consisting with A. Lusardi et al. (2009b) and Iqbal (2016) who found that peer characteristics may also play a role in explaining differences in financial literacy, as informal communication and socialization is more likely to promote financial knowledge and improve financial behaviors.

6.2 Recommendation:

Understanding financial literacy among young people is a critical importance for several parties, as assessing financial literacy level became the urgent need to ratify and develop effective actions to minimize the problem of financial illiteracy. In the light of the study results the researcher recommends some suggestions for the influential parties.

Recommendations for Policymaker (High Education Ministry):

- Assessing the levels of financial literacy in the society and universities is a crucial part of a successful national and educational strategy for establishing a proper financial education which will help policy makers to identify gaps and to benchmark themselves with ranked universities in the developed countries.
- Identifying financial education policies and designing programs to develop contents of curriculums to promote financial inclusion in order to identify local needs, bridge gaps and meet the requirements of employment markets

Recommendation for University (Business Schools):

The university environment is a new environment for the students where people from different family structures and social backgrounds gather to pursue their educations, besides the importance of the university education for people to manage their money in the best way, to make the right choice from a broad spectrum of financial products and services offered in the market and to ensure that they can accumulate for the future. Therefore, the study recommends universities to have some actions;

- Considering the role that is played by PMA in improving financial inclusion, and utilizing their efforts in coordinating between financial institutions and educational institutions.
- Addressing financial issues that have been recognized important in the local society and integrate those issues into the curriculum contents to keep financial literacy of students accommodating with financial changes.

- Enhancing the attention allocated to teaching psychology, and initiatives to develop students' motivations for obtaining financial knowledge which enables them attaining successes in personal and professional life.
- Defining a certain program for keeping financial courses updated with financial changes, and defining programs that enhance educational methods and attract students to follow bubbling financial issues to significantly improve financial decision making later in life.
- Developing programs that aim to enhance applied financial programs, using labs, enrich financial courses with practical assignments that keep students linked with labor and financial market and bridging the gap between students' theoretical knowledge and local financial market.

Recommendations for Financial Institutions (Banks, Insurance Companies and Lending Institutions):

- Enhancing the role of financial institutions by conducting training programs that include both students and graduates which give students the chance to engage in financial market.
- Promoting their services in a way that keep people and particularly business students informed about the financial services submitting by local financial institutions, at the same time keep updating websites with their news.
- Conducting regular sessions in the universities to introduce their activities, keep contact with future prospected employees and open discussions with students which may give institutions new perspectives and initiatives.

Recommendations for Future Researcher:

- Additional study is needed to determine more appropriate approaches for teaching financial courses and investigating the real impact of social capital on mediating financial knowledge.
- Future studies have to validate these study findings in light of the role of high education ministry, universities and educational systems weather in school or university, as this study focuses mainly on examining students' financial literacy.

- Future studies must focus on wider range analysis to generalize these findings in a broader perspective, as this study focuses on some of the local universities.
- Future studies would benefit from conducting longitudinal data that documented students' financial literacy since they were at school till their graduation from university, and conducting some experiments that proof the financial contributions gained throughout the years.
- Future studies must focus on determining creative teaching methods that effectively enable students to understand the impact of financial decisions and subsequently improve their financial behavior.

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- University of Palestine (<http://newstudent.up.edu.ps/index.php>)

Appendices

Appendix (1)

Graduates Statistics

Appendix 1.1

Number of graduates from Islamic University of Gaza



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجامعة الإسلامية غزة
The Islamic University of Gaza

DEANERY OF ADMISSION & REGISTRATION

عمادة القبول والتسجيل

الرقم: ج ٥٦١٤١/٢٠١٤

التاريخ: ٢٠١٧/٧/٢٢

إحصائية بأعداد خريجي بكالوريوس التجارة لأخر ثلاثة أعوام دراسية

خريجي البكالوريوس للعام ٢٠١٤-٢٠١٥			
المجموع	طلاب	طالبات	التخصص
106	49	57	إدارة الأعمال
64	26	38	إدارة الأعمال (باللغة الإنجليزية)
11	8	3	الاقتصاد والعلوم السياسية
25	8	17	العلوم المالية والمصرفية
150	98	52	المحاسبة
83	58	25	المحاسبة (باللغة الإنجليزية)
439	247	192	المجموع

خريجي البكالوريوس للعام ٢٠١٥-٢٠١٦			
المجموع	طلاب	طالبات	التخصص
90	47	43	إدارة الأعمال
45	12	33	إدارة الأعمال (باللغة الإنجليزية)
8	4	4	الاقتصاد والعلوم السياسية
14	8	6	العلوم السياسية والإعلام
10	5	5	العلوم المالية والمصرفية
178	115	63	المحاسبة
73	38	35	المحاسبة (باللغة الإنجليزية)
418	229	189	المجموع



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



الجامعة الإسلامية غزة
The Islamic University of Gaza

DEANERY OF ADMISSION & REGISTRATION

معاينة القبول والتسجيل

رقم: ح س غ ٢٠٢١/٥٦١

التاريخ: ٢٠١٧/٢٢

خريجي البكالوريوس للعام ٢٠١٦-٢٠١٧			
التخصص	طائيات	طلاب	المجموع
إدارة الأعمال	46	32	78
إدارة الأعمال (باللغة الإنجليزية)	26	12	38
الاقتصاد	1		1
الاقتصاد والعلوم السياسية	1	4	5
العلوم السياسية والإعلام	3	8	11
العلوم المالية والمصرفية	13	1	14
المحاسبة	51	87	138
المحاسبة (باللغة الإنجليزية)	16	27	43
المجموع	157	171	328



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



الجامعة الإسلامية غزة
The Islamic University of Gaza

DEANERY OF ADMISSION & REGISTRATION

عمادة القبول والتسجيل

الرقم: ح ٣٤١٤/١٦/٢٠١٤

Date: ٢٠١٧/٧/٢٢ التاريخ:

إحصائية بأعداد خريجي ماجستير التجارة لأخر ثلاثة أعوام دراسية

خريجي الدراسات العليا للعام ٢٠١٤-٢٠١٥			
المجموع	طلاب	طالبات	التخصص
59	43	16	إدارة الأعمال
8	8	0	إدارة الأعمال/إدارة موارد بشرية
29	21	8	اقتصاديات التنمية
42	37	5	المحاسبة والتمويل
138	109	29	المجموع

خريجي الدراسات العليا للعام ٢٠١٥-٢٠١٦			
المجموع	طلاب	طالبات	التخصص
101	61	40	إدارة الأعمال
8	8	0	إدارة الأعمال/إدارة موارد بشرية
27	18	9	اقتصاديات التنمية
41	32	9	المحاسبة والتمويل
177	119	58	المجموع

خريجي الدراسات العليا للعام ٢٠١٦-٢٠١٧			
المجموع	طلاب	طالبات	التخصص
49	29	20	إدارة الأعمال
3	3	0	إدارة الأعمال/إدارة موارد بشرية
12	8	4	اقتصاديات التنمية
21	16	5	المحاسبة والتمويل
85	56	29	المجموع



Appendix 1.2

Number of graduates from Al Azhar University of Gaza

جامعة الأزهر - غزة

عمادة القبول والتسجيل

إحصائية بأعداد طلاب وطالبات كلية التجارة لسنة رابعة (بكالوريوس + ماجستير)

الرقم	الجامعة	طالب	طالبة	المجموع
1	جامعة الأزهر - غزة (بكالوريوس) ٢٠١٣ / ٢٠١٤	275	157	432
2	جامعة الأزهر - غزة (بكالوريوس) ٢٠١٤ / ٢٠١٥	187	126	313
3	جامعة الأزهر - غزة (بكالوريوس) ٢٠١٥ / ٢٠١٦	151	110	261
4	جامعة الأزهر - غزة (بكالوريوس) ٢٠١٦ / ٢٠١٧	89	56	145
	المجموع	702	449	1151

م	بيان السنة الدراسية	العدد
1	جامعة الأزهر - غزة (ماجستير) ٢٠١٤	58
2	جامعة الأزهر - غزة (ماجستير) ٢٠١٥	74
3	جامعة الأزهر - غزة (ماجستير) ٢٠١٦	74
4	جامعة الأزهر - غزة (ماجستير) ٢٠١٧	35
	المجموع	241

ملاحظة/ إحصائيات الأرقام المذكورة أعلاه استخرجت من وحدة تكنولوجيا المعلومات من قبل أ. أحمد الكحلوت.



Appendix 1.3

Number of graduates from Al Aqsa University

أعداد خريجي كلية الإدارة والتمويل

ملاحظات	اناث	ذكور	العام الدراسي
	134	204	2015 / 2014
	140	206	2016 / 2015
حتى تاريخ 23/7/2017	52	75	2017 / 2016
	326	485	المجموع



Appendix 1.4

Number of graduates from University of Palestine



عمادة القبول والتسجيل
DEANSHIP OF ADMISSION AND REGISTRATION

جامعة فلسطين
UNIVERSITY OF PALESTINE

إحصائية بأعداد الخريجين للعام الدراسي 2016-2017

الفصل الدراسي الاول 2017/2016			
المجموع	طالبات	طلاب	الكلية
17	03	14	الإعلام والاتصال
44	04	40	القانون
40	04	36	إدارة المال والأعمال
28	03	25	الهندسة
08	01	07	تكنولوجيا المعلومات
03	02	01	التربية
140	17	123	الإجمالي
الفصل الدراسي الثاني 2017/2016			
المجموع	طالبات	طلاب	الكلية
37	29	08	طب الأسنان
25	06	19	الإعلام والاتصال
48	12	36	القانون
38	06	32	إدارة المال والأعمال
09	--	09	الهندسة
08	--	08	تكنولوجيا المعلومات
09	07	02	التربية
174	60	114	الإجمالي

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Appendix (2)

Focus Group Participants

List of financial professionals who participated in focus group session:

- Dr. Fares Abu Muamer (Professor, Department of Business Administration, IUG)
- Dr. Wael Al Daya (Assistant Professor, Department of Business Administration, IUG)
- Dr. Mohammed Al Ashi (Assistant Professor, Department of Accounting, IUG)
- Dr. Hesham Madi (Assistant Professor, Department of Accounting, IUG)
- Mr. Arafat Al Aaf (lecturer, Department of Business Administration, IUG)

Appendix (3)

Professionals Who Arbitrated the Questionnaire

- Dr. Fares Abu Muamer (Professor, Department of Business Administration, IUG)
- Dr. Yousef Ashour (Professor, Department of Business Administration, IUG)
- Dr. Wasim Al Habil (Associated Professor, Department of Business Administration, IUG)
- Dr. Samir Safi (Professor of Statistics, Department of Economics & Applied Statistics, IUG)
- Dr. Wael Al Daya (Assistant Professor, Department of Business Administration, IUG)
- Dr. Wael Thabet (Associated Professor, Department of Economic and Administrative Sciences, AUG)
- Dr. Marwan Al Agha (Assistant Professor, Department of Economic and Administrative Sciences, AUG)
- Dr. Wafiq Al Agha (Assistant Professor, Department of Economic and Administrative Sciences, AUG)
- Dr. Bilal Al Bachiti (Assistant Professor, Department of Economic and Administrative Sciences, AUG)
- Dr. Sami Abu Al Ross (Associated Professor, Department of Business Administration, IUG)
- Dr. Ezz Al Arab Al Awoor (Assistant Professor, Department of Business Administration, UP)
- Dr. Khaled Issa (Assistant Professor, Department of Accounting, UP)

Appendix (4)

The Distributed Questionnaire



الجامعة الإسلامية - غزة
شئون البحث العلمي والدراسات العليا
كلية التجارة
ماجستير إدارة أعمال

استبانة

"الوعي المالي لدى طلبة كلية التجارة والاقتصاد في قطاع غزة"

عزيزي/تي الطالب/ة في جامعات قطاع غزة المحترم.

السلام عليكم ورحمة الله تعالى وبركاته،،،

يطيب لنا أن نضع بين أيديكم هذا الاستبيان الذي أعد بهدف الحصول على البيانات المتعلقة بالدراسة التي تتمحور حول (الوعي المالي لدى طلبة كلية التجارة والاقتصاد في قطاع غزة)، حيث تهدف هذه الدراسة الي تقييم الوعي المالي لدي طلاب وطالبات كليات التجارة والاقتصاد في جامعات قطاع غزة، وذلك لتقديمه كبحث تكميلي لنيل درجة الماجستير في إدارة الأعمال من كلية التجارة بالجامعة الإسلامية. لذلك نرجو التكرم بتخصيص جزء من وقتكم الثمين لتعبئة الاستبان المرفوق، مع مراعاة الدقة في الإجابة عن الأسئلة المطروحة، والذي سيكون له عظيم الأثر والفائدة في الوصول إلى نتائج أكثر دقة كونها ستستخدم للأغراض العلمية فقط، علماً بأن البيانات الواردة في الاستبانة سيتم التعامل معها بسرية تامة وفقاً لأخلاقيات البحث العملي.

شكراً جزيلاً لكم مقدماً على تعاونكم،،،

الباحثة/ ندى أنور صرصور

الجزء الأول: المعلومات الديموغرافية							
1.1 الجنس	<input type="checkbox"/>	أنثى	<input type="checkbox"/>	ذكر			
1.2 المستوى التعليمي							
<input type="checkbox"/>	دبلوم	<input type="checkbox"/>	بكالوريوس	<input type="checkbox"/>	دراسات عليا "ماجستير، دكتوراه"		
1.2.1 أذكر تخصصك في البكالوريوس — .							
1.3 هل قمت بدراسة مساق ذو علاقة بالعلوم المالية أو الاقتصادية؟							
<input type="checkbox"/>	نعم*	<input type="checkbox"/>	لا				
*1.3.1 إذا كانت الإجابة نعم، أذكر اسم المساق: 1. — . 2. — .							
1.4 هل لديك عمل؟							
<input type="checkbox"/>	نعم*	<input type="checkbox"/>	لا				
*1.4.1 إذا كانت الإجابة نعم، هل عملك مدفوع/ غير مدفوع؟							
<input type="checkbox"/>	بأجر (دوام كامل)	<input type="checkbox"/>	بأجر (دوام جزئي)	<input type="checkbox"/>	من غير أجر (تطوعي)		
1.5 هل تستمع لأي من النشرات الاقتصادية؟							
<input type="checkbox"/>	دائماً	<input type="checkbox"/>	أحياناً	<input type="checkbox"/>	نادراً	<input type="checkbox"/>	أبداً
1.6 هل تقوم بمطالعة الصفحة الاقتصادية اليومية (المطبوعة أو الالكترونية - محلية أو دولية)؟							
<input type="checkbox"/>	دائماً	<input type="checkbox"/>	أحياناً	<input type="checkbox"/>	نادراً	<input type="checkbox"/>	أبداً
1.7 هل سبق لك وأن تعاملت مع البنوك؟							
<input type="checkbox"/>	نعم*	<input type="checkbox"/>	لا				
*1.7.1 إذا كانت الإجابة نعم، أي من التعاملات التالية تصف تعاملك البنكي؟ (ملاحظة: يمكنك اختيار أكثر من خيار)							
<input type="checkbox"/>	حساب جاري	<input type="checkbox"/>	حساب توفير	<input type="checkbox"/>	قرض		
<input type="checkbox"/>	بطاقة ائتمانية	<input type="checkbox"/>	مرابحة	<input type="checkbox"/>	أخرى		
1.8 تخيل أنك ستحصل على مبلغ من المال، هل تفضل أن تحصل على 2,500 دولار اليوم أو أن تحصل على 3,000 دولار خلال 80 يوم؟							
<input type="checkbox"/>	أفضل أن أحصل على مبلغ 2,500 دولار اليوم	<input type="checkbox"/>	أفضل أن أحصل على مبلغ 3,000 دولار خلال 80 يوم				
الجزء الثاني: الوعي المالي لدى الأفراد							
2.1 هل أنت على دراية بماهية عمل سلطة النقد الفلسطينية؟							
<input type="checkbox"/>	نعم*	<input type="checkbox"/>	لا	<input type="checkbox"/>	إلى حد ما		
*2.1.1 إذا كانت الإجابة نعم، أي من الأدوار التالية تعتقد أنها تمثل دور سلطة النقد الفلسطينية؟							
<input type="checkbox"/>	إدارة إنتاج وتوزيع عملة البلاد (الشيكل)						
<input type="checkbox"/>	التنظيم والإشراف على البنوك والمؤسسات الإقراضية المتخصصة ومحلات الصرافة العاملة في فلسطين						
<input type="checkbox"/>	زيادة قيمة الشيكل، وشراء العملات والاحتفاظ بها في احتياطي سلطة النقد الفلسطينية						

2.2 هل أنت على دراية بماهية عمل البنوك التجارية والاسلامية؟				
<input type="checkbox"/>	نعم*	<input type="checkbox"/>	لا	<input type="checkbox"/>
إلي حد ما				
2.2.1* إذا كانت الإجابة نعم، أعط مثالاً لكل من التالي:				
بنك تجاري: _____.		بنك إسلامي: -.		
2.3 هل أنت على دراية بماهية عمل شركات التأمين؟				
<input type="checkbox"/>	نعم*	<input type="checkbox"/>	لا	<input type="checkbox"/>
إلي حد ما				
2.3.1* إذا كانت الإجابة نعم، أعط مثالين على شركات التأمين تعرفها:				
شركة تأمين 1: _____.		شركة تأمين 2: -.		
2.4 هل لديك معرفة بالمؤسسات المالية الغير مصرفية (الإقراضية)؟				
<input type="checkbox"/>	نعم*	<input type="checkbox"/>	لا	<input type="checkbox"/>
إلي حد ما				
2.4.1* إذا كانت الإجابة نعم، أعط مثالين على مؤسسات مالية غير مصرفية تعرفها:				
مؤسسة مالية 1: _____.		مؤسسة مالية 2: -.		
2.5 هل أنت على دراية بماهية عمل سوق رأس المال الفلسطيني؟				
<input type="checkbox"/>	نعم*	<input type="checkbox"/>	لا	<input type="checkbox"/>
إلي حد ما				
2.5.1* إذا كانت الإجابة نعم، أي من العبارات التالية تصف الدور الرئيس لسوق رأس المال الفلسطيني؟				
<input type="checkbox"/>	سوق رأس المال يعمل على مساعدة الأفراد على اقتراض المال.			
<input type="checkbox"/>	سوق رأس المال وسيط لبيع وشراء العقارات.			
<input type="checkbox"/>	سوق رأس المال يجلب الناس الذين يرغبون في شراء الأسهم جنباً إلى جنب مع أولئك الذين يرغبون في بيع الأسهم			
<input type="checkbox"/>	أخرى: _____.			
2.6 افترض أن لديك مبلغاً من المال، في أي من الجهات التالية تفضل أن تستثمر مالك؟ (ملاحظة: يمكنك اختيار أكثر من خيار)؟				
<input type="checkbox"/>	بنك تجاري	<input type="checkbox"/>	بنك إسلامي	<input type="checkbox"/>
<input type="checkbox"/>	مع أحد الأصدقاء	<input type="checkbox"/>	مع أحد أفراد العائلة	<input type="checkbox"/>
<input type="checkbox"/>	مع أي مستثمر ذو خبره			
2.7 افترض أنك في العام 2017 سيصبح دخلك الشهري ضعف ما هو عليه الآن، وفي نفس الوقت ستتضاعف أسعار السلع الاستهلاكية. كيف تصف قدرتك على الشراء؟				
<input type="checkbox"/>	أكثر	<input type="checkbox"/>	لا تتغير	
<input type="checkbox"/>	أقل	<input type="checkbox"/>	لا أعرف	
2.8 اشترى علي مؤخراً تأمين صحي ضد الحوادث مع غطاء 10,000 شيكل وفي اليوم التالي، وقع حادث، وكان لا بد من زهاب علي إلى المستشفى. تكبد علي 5,000 شيكل رسوم المستشفى. برأيك سياسة التأمين الصحي كم سغطي من رسوم المستشفى؟				
<input type="checkbox"/>	10,000 شيكل	<input type="checkbox"/>	5,000 شيكل أو أقل	
<input type="checkbox"/>	صفر	<input type="checkbox"/>	لا أعرف	

2.9 علي يعمل كنجار، اقترض مؤخرًا بعض المال من أحد المقرضين قرضاً استهلاكياً شخصياً. ماذا تعتقد أنه اشترى؟			
<input type="checkbox"/>	آلة حف وتنعيم الخشب	<input type="checkbox"/>	أخشاب لطلبات الحالية
<input type="checkbox"/>	ثلاجة لمنزله	<input type="checkbox"/>	دهانات للأخشاب
2.10 افترض أن لديك حساب توفير في بنك وبعد فترة أغلق البنك لسبب ما، هل تعتقد أنك ستحصل على أموالك المدخرة في هذا البنك؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا أعرف
<input type="checkbox"/>	لا	<input type="checkbox"/>	لا أعرف
2.11 افترض أنك لديك \$100 في حساب توفير وكان سعر الفائدة 2% سنوياً. وتركت المبلغ في الحساب لمدة خمسة أعوام، برأيك كم ستصبح قيمة المبلغ في الحساب بعد هذه المدة؟			
<input type="checkbox"/>	أكثر من \$102	<input type="checkbox"/>	أقل من \$102
<input type="checkbox"/>	لا أعرف	<input type="checkbox"/>	ليس مما ذكر
2.12 "شراء أسهم لشركة واحدة عادة ما يوفر عائداً أكثر أماناً من شراء أسهم في استثمارات مختلفة". برأيك هل العبارة السابقة صحيحة أم خاطئة؟			
<input type="checkbox"/>	صحيحة	<input type="checkbox"/>	لا أعرف
<input type="checkbox"/>	خاطئة	<input type="checkbox"/>	لا أعرف
2.13 إذا قام شخص ما بشراء أسهم شركة (ب) من سوق الأوراق المالية، فإي من العبارات التالية صحيحة؟			
<input type="checkbox"/>	يملك جزء من الشركة (ب)	<input type="checkbox"/>	أنه قد أقرض المال لشركة (ب)
<input type="checkbox"/>	ليس مما ذكر	<input type="checkbox"/>	أنه مسؤول عن ديون الشركة (ب)
2.14 أي من الأصول التالية يعتبر حاملها (مالك) وأيهما يعتبر (مقرض)، على التوالي؟			
<input type="checkbox"/>	حسابات التوفير، الأسهم	<input type="checkbox"/>	الأسهم، السندات
<input type="checkbox"/>	السندات، الأسهم	<input type="checkbox"/>	لا أعرف
2.15 الأسهم عادة ما تكون أكثر خطورة من السندات؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا أعرف
<input type="checkbox"/>	لا	<input type="checkbox"/>	لا أعرف
الجزء الثالث: السلوك المالي			
3.1 كيف تصف إدارتك لأموالك المالية الخاصة؟			
<input type="checkbox"/>	أنا منظم من الناحية المالية	<input type="checkbox"/>	أنا مندفع من الناحية المالية
<input type="checkbox"/>	أنا أعيش لأجل اليوم	<input type="checkbox"/>	لا أعرف
3.2 هل أنت معتاد على وضع خطة مالية وميزانية خاصة بحياتك، تحقق بها أهدافك الشخصية؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا أعرف
<input type="checkbox"/>	لا	<input type="checkbox"/>	لا أعرف
3.3 أي من المؤسسات التالية سبق وقد تعاملت معها؟			

الرقم	المؤسسة	أتعامل	لم أتعامل
1	البنوك التجارية		
2	البنوك الإسلامية		
3	شركات الصرافة		
4	شركات التأمين		
5	المؤسسات الإقراضية		
3.4 أي من المعايير التالية تستخدمها في حال قررت أنت تحصل على مرابحة/قرض؟			
الرقم	المعيار	أستخدمها	لا أستخدمها
1	أصل المبلغ		
2	سعر الفائدة (نسبة الربح)		
3	شروط القرض (المرابحة)		
4	فترة السداد		
5	المؤسسة المقرضة		
الجزء الرابع: الخلفية العائلية			
4.1 أي من العبارات التالية تصف إدارة عائلتك لأموالهم المالية الخاصة؟			
<input type="checkbox"/>	عائلتي منظمة من الناحية المالية	<input type="checkbox"/>	عائلتي مندفعة من الناحية المالية
<input type="checkbox"/>	عائلتي تعيش لأجل اليوم	<input type="checkbox"/>	لا أعرف
4.2 عندما يتوفر مع عائلتك أموال إضافية تتجاوز احتياجاتها الشهرية، ماذا تفعل عائلتك في تلك الأموال؟ (ملاحظة: يمكنك اختيار أكثر من خيار)			
<input type="checkbox"/>	توفير الاحتياجات الأساسية للعائلة كالتعليم (للأطفال) والصحة.		
<input type="checkbox"/>	الاستثمار في سوق رأس المال (الأسهم، السندات، الخ).		
<input type="checkbox"/>	سداد الديون.		
<input type="checkbox"/>	الاستثمار في مشاريع خاصة.		
<input type="checkbox"/>	شراء الذهب والمجوهرات.		
<input type="checkbox"/>	أخرى (شراء عقارات، ادخار المال نقداً).		
4.3 هل واجهت عائلتك أي أزمة مالية على مدى السنوات الثلاث الماضية؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا
4.4 هل اعتادت عائلتك على تشجيعك لتخصيص مبلغ للادخار (على سبيل المثال: وجود صندوق للادخار -حصالة- أو حساب توفير)؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا
<input type="checkbox"/>	لا أعرف	<input type="checkbox"/>	لا أعرف

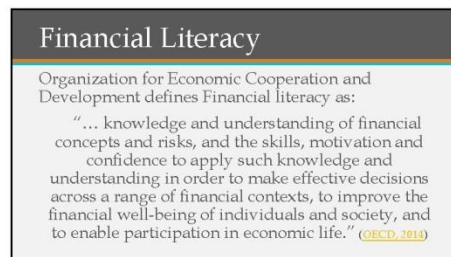
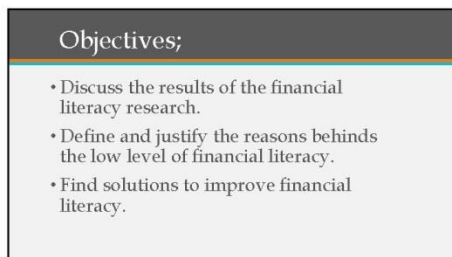
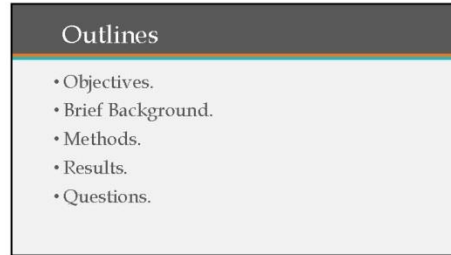
الجزء الخامس: الخبرة المالية			
5.1 هل تواجه أي صعوبات في تسديد الدفعات المستحقة عليك؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا
5.2 أي من الخدمات المالية التالية تقوم باستخدامها؟			
الرقم	الخدمة	أستخدمها	لا أستخدمها
1	القروض أو المرابحات الاستهلاكية		
2	القرض أو المرابحة العقارية (السكنية)		
3	الحساب الجاري، الودائع المصرفية، بطاقة الصراف الآلي، وبطاقة الائتمان المصرفي		
4	الاستثمارات في الأسهم		
5	شراء بالتقسيط من محلات الأجهزة الكهربائية		
6	التعامل مع محلات الصرافة (سحب والإيداع)		
5.3 أي من العبارات التالية تعد أفضل وصف لموقفك الائتماني الحالي؟			
<input type="checkbox"/>	لدي الكثير من الالتزامات في الوقت الراهن وقد أواجه صعوبات في دفع الدفعات المستحقة.		
<input type="checkbox"/>	لدي مبلغ مناسب من الديون في الوقت الراهن ولا أواجه أي مشاكل في دفعها.		
<input type="checkbox"/>	لدي التزامات قليلة جداً في الوقت الراهن، وأرغب أن احصل على المزيد.		
<input type="checkbox"/>	ليس لدي أي التزامات مالية.		
5.4 كيف تصف قيامك بتسديد المستحقات المالية عليك (للبنك - للمحال التجارية - للعائلة - للأصدقاء)؟			
<input type="checkbox"/>	بشكل منتظم	<input type="checkbox"/>	أتأخر في بعض الأحيان
<input type="checkbox"/>	لا أقوم بالتسديد	<input type="checkbox"/>	لا أقوم بالتسديد
الجزء السادس: رأس المال الاجتماعي			
6.1 هل لديك الثقة في المهارات والقدرات الموجودة لدى أفراد أسرته أو أصدقائك في إدارة الأمور المالية، لذا أنت على استعداد للتعلم منهم؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا
6.2 ما هو المستوى الدراسي للأب؟			
<input type="checkbox"/>	أقل من الثانوية العامة	<input type="checkbox"/>	ثانوية عامة
<input type="checkbox"/>	بكالوريوس	<input type="checkbox"/>	دراسات عليا
<input type="checkbox"/>	دبلوم	<input type="checkbox"/>	أخرى: —
6.3 ما هو المستوى الدراسي للأم؟			
<input type="checkbox"/>	أقل من الثانوية العامة	<input type="checkbox"/>	ثانوية عامة
<input type="checkbox"/>	بكالوريوس	<input type="checkbox"/>	دراسات عليا
<input type="checkbox"/>	دبلوم	<input type="checkbox"/>	أخرى: —
6.4 هل يعمل الأب؟			
<input type="checkbox"/>	نعم*	<input type="checkbox"/>	لا

6.4.1 إذا كانت الإجابة نعم، أي من القطاعات يعمل؟			
<input type="checkbox"/>	قطاع عام (حكومي)	<input type="checkbox"/>	قطاع خاص
<input type="checkbox"/>	المنظمات غير الحكومية	<input type="checkbox"/>	
6.4.2 أذكر المسمى الوظيفي: —.			
6.5 هل تعمل الأم؟			
<input type="checkbox"/>	نعم*	<input type="checkbox"/>	لا
6.5.1 إذا كانت الإجابة نعم، أي من القطاعات يعمل؟			
<input type="checkbox"/>	قطاع عام (حكومي)	<input type="checkbox"/>	قطاع خاص
<input type="checkbox"/>	المنظمات غير الحكومية	<input type="checkbox"/>	
6.5.2 أذكر المسمى الوظيفي: —.			
6.6 هل عائلتك لديها أعمال تجارية خاصة بهم؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا
<input type="checkbox"/>	لا أعرف	<input type="checkbox"/>	
6.7 هل لديك أحد من أفراد العائلة ذو خبرة مهنية (لديك علاقة قوية معه/ها) تتبادل معه الرأي والدعم في الأمور والقرارات المالية؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا
6.8 هل لديك أحد من قرنائك أو أصدقائك ذو خبرة مهنية (لديك علاقة قوية معه/ها) تتبادل معه الرأي والدعم في الأمور والقرارات المالية؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا
6.9 هل تشجعك عائلتك في مواجهة التحديات والتغلب على الصعوبات المالية؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا
<input type="checkbox"/>	إلى حد ما	<input type="checkbox"/>	
6.10 هل لديك علاقات شخصية مع أفراد يعملون في المؤسسات المالية؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا
6.11 هل لديك علاقات شخصية مع رجال أعمال؟			
<input type="checkbox"/>	نعم	<input type="checkbox"/>	لا

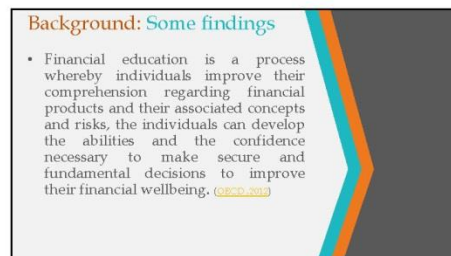
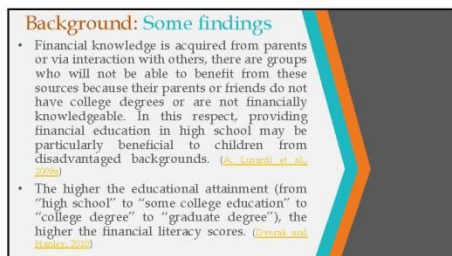
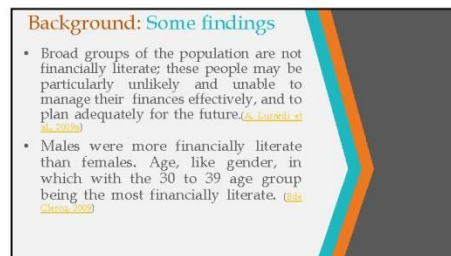
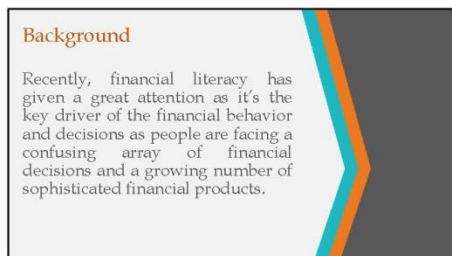
شكراً لحسن تعاونكم،،،

Appendix (5) Focus Group Presentation Questions

30/7/2017



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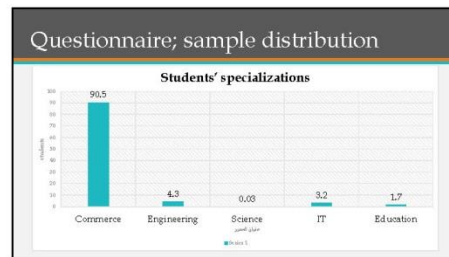
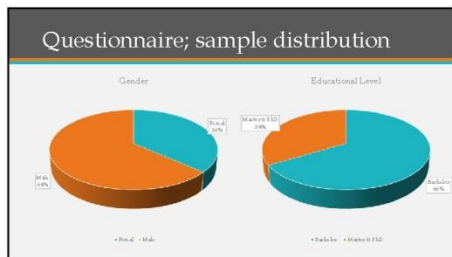
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Background: Some findings

- Having parents with higher education and better financial understanding improves financial literacy, whereas tentatively a poor economic background may hinder development of financial literacy. ([Grimman et al., 2015a](#))
- Peers were found to be one of the key contributors of information and financial advice ([A. Luarnedi et al., 2009b](#))

Methods: Questionnaire;

- 348 students from faculty of commerce in universities in Gaza Strip (Islamic university, AL-Azhar university, AL-Aqsa university and university of Palestine) have been surveyed.
- consists of six dimensions;
 - socio-demographic characteristics,
 - financially literate,
 - financial behavior,
 - family background,
 - financial experience,
 - social capital and communication.



Key Results;

Socio-demographic characteristics - Question	Percent
Studied Financial Courses	92.8%
Having Jobs	37.1%
Following Economic and financial news (always, sometimes and rarely) respectively	6%, 38.5%
Risk Aversion	77.3%

Key Results;

Financially literate - Question	Percent
Familiarity with Financial Institutions	37.58%
Preference to Invest with Informal parties	48.6%
Understanding Inflation Concept	62.9%
Understanding Insurance Concept	63.2%
Differentiating between Insurs types	51.2%

Key Results;

Financially literate - Question	Percent
Calculating Simple Interest Rate	90.4%
Understanding Portfolio Diversification	66.1%
Differentiating between Stock and Bonds	59.3%
Realizing banking accounts	61.5%

Key Results;

Financial behavior- Question	Percent
Managing, planning and budgeting money	58.05%

Family background - Question	Percent
Family managing, planning and budgeting money	66.4%
Facing Financial crises	74.1%

Key Results;

Financially experience - Question	Percent
Difficulties in making payments	38.2%
Most financial services used (current account-banking cards)	44.3%

Key Results;

Social Capital - Question (connecting with inflation, interest and diversification questions)	Percent
Fathers with bachelor degree	69.8%
Fathers have jobs	60.6%
Family have private business	69.9%
Friend with professional experience	61.1%
Interpersonal relation with people work in financial sector or with businessman woman	62%

Questions for discussion

- To what extent do you have confidence with the results?
- How do you explain that a third or more of the students have low level of financial literacy?
- How students' financial literacy could be improved?

Appendix (6)

Result Differences According Universities and Specializations

Appendix 6.1

Shows the differences among university students in answering financial literacy section
University & financially literate

Table (1.1) Illustrates analysis of results for the question “Are you familiar with the Palestinian Monetary Authority?”

University	University & q2.1				
		Yes	No	To some extent	Total
University of Palestine – Bachelor	No	10	8	10	28
	%	8.1%	8.7%	7.6%	8.0%
Islamic University – Bachelor	No	34	14	25	73
	%	27.4%	15.2%	18.9%	21.0%
Al Azhar university – Bachelor	No	13	23	24	60
	%	10.5%	25.0%	18.2%	17.2%
Al-Aqsa University – Bachelor	No	22	27	21	70
	%	17.7%	29.3%	15.9%	20.1%
Al Azhar University_ Master	No	5	4	6	15
	%	4.0%	4.3%	4.5%	4.3%
Islamic University_ Master	No	40	16	46	102
	%	32.3%	17.4%	34.8%	29.3%
Total	No	124	92	132	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.2) Illustrates analysis of results for the previous question “If Yes, what is the role of PMA?”

University	University & q2.1.1				
		Manage the production and distribution of the nation's currency (NIS)	Regulate and supervise of banks, specialized lending institutions and money exchangers operating in Palestine	Increase a NIS value, so PMA can buy currency and hold it in its reserves	Total
University of Palestine - Bachelor	No	1	8	1	10
	%	10.0%	8.1%	6.7%	8.1%
Islamic University - Bachelor	No	0	27	7	34
	%	0.0%	27.3%	46.7%	27.4%
Al Azhar university - Bachelor	No	2	10	1	13
	%	20.0%	10.1%	6.7%	10.5%
Al-Aqsa University - Bachelor	No	5	15	2	22
	%	50.0%	15.2%	13.3%	17.7%
Al Azhar University_ Master	No	0	5	0	5
	%	0.0%	5.1%	0.0%	4.0%
Islamic University_ Master	No	2	34	4	40
	%	20.0%	34.3%	26.7%	32.3%
Total	No	10	99	15	124
	%	100.0%	100.0%	100.0%	100.0%
A	Manage the production and distribution of the nation's currency (NIS)				
B	Regulate and supervise of banks, specialized lending institutions and money exchangers operating in Palestine.				
C	Increase a NIS value, so PMA can buy currency and hold it in its reserves				

Table (1.3): Illustrates analysis of results for the question “Are you familiar with the Commercial and Islamic banks?”

University	University & q2.2				
		Yes	No	To some extent	Total
University of Palestine – Bachelor	No	13	7	8	28
	%	8.0%	11.5%	6.5%	8.0%
Islamic University – Bachelor	No	40	9	24	73
	%	24.5%	14.8%	19.4%	21.0%
Al Azhar university – Bachelor	No	26	13	21	60
	%	16.0%	21.3%	16.9%	17.2%
Al-Aqsa University – Bachelor	No	30	19	21	70
	%	18.4%	31.1%	16.9%	20.1%
Al Azhar University_ Master	No	9	1	5	15
	%	5.5%	1.6%	4.0%	4.3%
Islamic University_ Master	No	45	12	45	102
	%	27.6%	19.7%	36.3%	29.3%
Total	No	163	61	124	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.4) Illustrates analysis of results for the question “Are you familiar with the Insurance companies?”

University	University & q2.3				
		Yes	No	To some extent	Total
University of Palestine - Bachelor	No	14	8	6	28
	%	9.2%	8.2%	6.1%	8.0%
Islamic University - Bachelor	No	37	19	17	73
	%	24.3%	19.6%	17.2%	21.0%
Al Azhar university - Bachelor	No	25	17	18	60
	%	16.4%	17.5%	18.2%	17.2%
Al-Aqsa University - Bachelor	No	26	30	14	70
	%	17.1%	30.9%	14.1%	20.1%
Al Azhar University_ Master	No	9	1	5	15
	%	5.9%	1.0%	5.1%	4.3%
Islamic University_ Master	No	41	22	39	102
	%	27.0%	22.7%	39.4%	29.3%
Total	No	152	97	99	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.5) Illustrates analysis of results for the question “Are you familiar with the Palestine Stock Market?”

University	University & q2.5				
		Yes	No	To some extent	Total
University of Palestine – Bachelor	No	10	12	6	28
	%	11.2%	8.1%	5.5%	8.0%
Islamic University – Bachelor	No	21	28	24	73
	%	23.6%	18.8%	21.8%	21.0%
Al Azhar university – Bachelor	No	11	31	18	60
	%	12.4%	20.8%	16.4%	17.2%
Al-Aqsa University – Bachelor	No	18	35	17	70
	%	20.2%	23.5%	15.5%	20.1%
Al Azhar University_ Master	No	5	4	6	15
	%	5.6%	2.7%	5.5%	4.3%
Islamic University_ Master	No	24	39	39	102
	%	27.0%	26.2%	35.5%	29.3%
Total	No	89	149	110	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.6) Illustrates analysis of results of the previous question “If YES, which of the following statements describes the main function of the stock market?”

University	University & q2.5.1					Total
		The stock market helps you to borrow money.	The stock market works as mortgage broker.	The stock market brings people who want to buy stocks together with those who want to sell stocks	Other	
University of Palestine - Bachelor	No	0	2	8	0	10
	%	0.0%	11.1%	12.7%	0.0%	11.2%
Islamic University - Bachelor	No	1	5	15	0	21
	%	14.3%	27.8%	23.8%	0.0%	23.6%
Al Azhar university - Bachelor	No	3	3	5	0	11
	%	42.9%	16.7%	7.9%	0.0%	12.4%
Al-Aqsa University - Bachelor	No	1	5	11	1	18
	%	14.3%	27.8%	17.5%	100.0%	20.2%
Al Azhar University_ Master	No	0	1	4	0	5
	%	0.0%	5.6%	6.3%	0.0%	5.6%
Islamic University_ Master	No	2	2	20	0	24
	%	28.6%	11.1%	31.7%	0.0%	27.0%
Total	No	7	18	63	1	89
	%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.7) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: Commercial Bank)

University	University & q2.6.1			Total
		Yes	No	
University of Palestine - Bachelor	No	8	20	28
	%	13.1%	7.0%	8.0%
Islamic University – Bachelor	No	24	49	73
	%	39.3%	17.1%	21.0%
Al Azhar university - Bachelor	No	11	49	60
	%	18.0%	17.1%	17.2%
Al-Aqsa University - Bachelor	No	10	60	70
	%	16.4%	20.9%	20.1%
Al Azhar University- Master	No	1	14	15
	%	1.6%	4.9%	4.3%
Islamic University- Master	No	7	95	102
	%	11.5%	33.1%	29.3%
Total	No	61	287	348
	%	100.0%	100.0%	100.0%

Table (1.8) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: Islamic Bank)

University	University & q2.6.2			Total
		Yes	No	
University of Palestine - Bachelor	No	6	22	28
	%	5.2%	9.5%	8.0%
Islamic University - Bachelor	No	23	50	73
	%	19.8%	21.6%	21.0%
Al Azhar university - Bachelor	No	25	35	60
	%	21.6%	15.1%	17.2%
Al-Aqsa University - Bachelor	No	18	52	70
	%	15.5%	22.4%	20.1%
Al Azhar University_ Master	No	3	12	15
	%	2.6%	5.2%	4.3%
Islamic University_ Master	No	41	61	102
	%	35.3%	26.3%	29.3%
Total	No	116	232	348
	%	100.0%	100.0%	100.0%

Table (1.9) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: Palestine Stock Market)

University	University & q2.6.3			Total
		Yes	No	
University of Palestine - Bachelor	No	8	20	28
	%	14.3%	6.8%	8.0%
Islamic University – Bachelor	No	22	51	73
	%	39.3%	17.5%	21.0%
Al Azhar university – Bachelor	No	9	51	60
	%	16.1%	17.5%	17.2%
Al-Aqsa University – Bachelor	No	4	66	70
	%	7.1%	22.6%	20.1%
Al Azhar University_ Master	No	5	10	15
	%	8.9%	3.4%	4.3%
Islamic University_ Master	No	8	94	102
	%	14.3%	32.2%	29.3%
Total	No	56	292	348
	%	100.0%	100.0%	100.0%

Table (1.10) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: Friends)

University	University & q2.6.4			Total
		Yes	No	
University of Palestine - Bachelor	No	5	23	28
	%	10.9%	7.6%	8.0%
Islamic University - Bachelor	No	6	67	73
	%	13.0%	22.2%	21.0%
Al Azhar university - Bachelor	No	5	55	60
	%	10.9%	18.2%	17.2%
Al-Aqsa University - Bachelor	No	11	59	70
	%	23.9%	19.5%	20.1%
Al Azhar University_ Master	No	0	15	15
	%	0.0%	5.0%	4.3%
Islamic University_ Master	No	19	83	102
	%	41.3%	27.5%	29.3%
Total	No	46	302	348
	%	100.0%	100.0%	100.0%

Table (1.11) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: a family member)

University	University & q2.6.5			Total
		Yes	No	
University of Palestine - Bachelor	No	6	22	28
	%	7.1%	8.3%	8.0%
Islamic University - Bachelor	No	22	51	73
	%	26.2%	19.3%	21.0%
Al Azhar university - Bachelor	No	7	53	60
	%	8.3%	20.1%	17.2%
Al-Aqsa University - Bachelor	No	17	53	70
	%	20.2%	20.1%	20.1%
Al Azhar University_ Master	No	2	13	15
	%	2.4%	4.9%	4.3%
Islamic University_ Master	No	30	72	102
	%	35.7%	27.3%	29.3%
Total	No	84	264	348
	%	100.0%	100.0%	100.0%

Table (1.12) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: experienced inventor)

University	University & q2.6.6			Total
		Yes	No	
University of Palestine - Bachelor	No	15	13	28
	%	8.9%	7.3%	8.0%
Islamic University - Bachelor	No	28	45	73
	%	16.6%	25.1%	21.0%
Al Azhar university - Bachelor	No	26	34	60
	%	15.4%	19.0%	17.2%
Al-Aqsa University - Bachelor	No	37	33	70
	%	21.9%	18.4%	20.1%
Al Azhar University_ Master	No	9	6	15
	%	5.3%	3.4%	4.3%
Islamic University_ Master	No	54	48	102
	%	32.0%	26.8%	29.3%
Total	No	169	179	348
	%	100.0%	100.0%	100.0%

Table (1.13) Illustrates analysis of results for the question “Let's assume that in 2017 your income is twice as now, and the consumer prices also grow twofold. Do you think that in 2017 you will be able to?”

University	University & q2.7					Total
		Buy more	Buy the same	Less	Don't know	
University of Palestine - Bachelor	No	2	20	5	1	28
	%	3.8%	9.1%	10.6%	3.3%	8.0%
Islamic University - Bachelor	No	5	56	5	7	73
	%	9.6%	25.6%	10.6%	23.3%	21.0%
Al Azhar university - Bachelor	No	13	34	10	3	60
	%	25.0%	15.5%	21.3%	10.0%	17.2%
Al-Aqsa University - Bachelor	No	16	27	12	15	70
	%	30.8%	12.3%	25.5%	50.0%	20.1%
Al Azhar University_ Master	No	3	8	3	1	15
	%	5.8%	3.7%	6.4%	3.3%	4.3%
Islamic University_ Master	No	13	74	12	3	102
	%	25.0%	33.8%	25.5%	10.0%	29.3%
Total	No	52	219	47	30	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.14) Illustrates analysis of results for the question “Ali recently bought accident medical insurance with NIS 10,000 cover. The next day, he met with an accident and had to be hospitalized. He incurred NIS 5,000 in hospital fees. How much do you think the medical insurance policy will pay for?”

University	University & q2.8					Total
		10,000 NIS	5,000 NIS or less	Zero	Don't know	
University of Palestine – Bachelor	No	2	18	0	8	28
	%	7.4%	8.2%	0.0%	8.3%	8.0%
Islamic University – Bachelor	No	5	57	0	11	73
	%	18.5%	25.9%	0.0%	11.5%	21.0%
Al Azhar university – Bachelor	No	7	37	1	15	60
	%	25.9%	16.8%	20.0%	15.6%	17.2%
Al-Aqsa University – Bachelor	No	4	34	1	31	70
	%	14.8%	15.5%	20.0%	32.3%	20.1%
Al Azhar University_ Master	No	0	9	0	6	15
	%	0.0%	4.1%	0.0%	6.3%	4.3%
Islamic University_ Master	No	9	65	3	25	102
	%	33.3%	29.5%	60.0%	26.0%	29.3%
Total	No	27	220	5	96	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.15) Illustrates analysis of results for the question “Ali is carpenter who recently borrowed some money from a local moneylender. His loan was consumption loan. What do you think he bought?”

University	University & q2.9					Total
		Drill for his carpentry.	Drill for his carpentry.	Drill for his carpentry.	Drill for his carpentry.	
University of Palestine - Bachelor	No	8	3	16	1	28
	%	11.0%	3.5%	9.0%	9.1%	8.0%
Islamic University - Bachelor	No	19	20	30	4	73
	%	26.0%	23.3%	16.9%	36.4%	21.0%
Al Azhar university - Bachelor	No	10	17	32	1	60
	%	13.7%	19.8%	18.0%	9.1%	17.2%
Al-Aqsa University - Bachelor	No	19	18	30	3	70
	%	26.0%	20.9%	16.9%	27.3%	20.1%
Al Azhar University_ Master	No	3	5	7	0	15
	%	4.1%	5.8%	3.9%	0.0%	4.3%
Islamic University_ Master	No	14	23	63	2	102
	%	19.2%	26.7%	35.4%	18.2%	29.3%
Total	No	73	86	178	11	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.16) Illustrates analysis of results for the question “Suppose I have a savings account in a bank and the bank closes down for some reason, will I get my money back?”

University	University & q2.10				
		Yes	No	Don't know	Total
University of Palestine - Bachelor	No	18	5	5	28
	%	8.4%	11.6%	5.5%	8.0%
Islamic University – Bachelor	No	46	9	18	73
	%	21.5%	20.9%	19.8%	21.0%
Al Azhar university – Bachelor	No	45	2	13	60
	%	21.0%	4.7%	14.3%	17.2%
Al-Aqsa University – Bachelor	No	31	13	26	70
	%	14.5%	30.2%	28.6%	20.1%
Al Azhar University_ Master	No	10	1	4	15
	%	4.7%	2.3%	4.4%	4.3%
Islamic University_ Master	No	64	13	25	102
	%	29.9%	30.2%	27.5%	29.3%
Total	No	214	43	91	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.17) Illustrates analysis of results for the question “Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?”

University	University & q2.11						Total
		More than \$102	Exactly \$102	Less than \$102	Do not know	None-of the mentioned	
University of Palestine - Bachelor	No	12	4	2	4	6	28
	%	6.9%	14.3%	11.1%	4.8%	13.6%	8.0%
Islamic University - Bachelor	No	35	5	5	16	12	73
	%	20.0%	17.9%	27.8%	19.3%	27.3%	21.0%
Al Azhar university - Bachelor	No	29	3	7	16	5	60
	%	16.6%	10.7%	38.9%	19.3%	11.4%	17.2%
Al-Aqsa University - Bachelor	No	24	8	2	29	7	70
	%	13.7%	28.6%	11.1%	34.9%	15.9%	20.1%
Al Azhar University_ Master	No	7	1	0	5	2	15
	%	4.0%	3.6%	0.0%	6.0%	4.5%	4.3%
Islamic University_ Master	No	68	7	2	13	12	102
	%	38.9%	25.0%	11.1%	15.7%	27.3%	29.3%
Total	No	175	28	18	83	44	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.18) Illustrates analysis of results for the question “Please tell me whether this statement is true or false. ‘Buying a single company’s stock usually provides a safer return than a stock mutual fund?’”

University	University & q2.12				Total
		True	False	Do not know	
University of Palestine - Bachelor	No	3	19	6	28
	%	7.0%	8.3%	8.0%	8.0%
Islamic University – Bachelor	No	10	43	20	73
	%	23.3%	18.7%	26.7%	21.0%
Al Azhar university – Bachelor	No	12	35	13	60
	%	27.9%	15.2%	17.3%	17.2%
Al-Aqsa University – Bachelor	No	7	40	23	70
	%	16.3%	17.4%	30.7%	20.1%
Al Azhar University_ Master	No	0	11	4	15
	%	0.0%	4.8%	5.3%	4.3%
Islamic University_ Master	No	11	82	9	102
	%	25.6%	35.7%	12.0%	29.3%
Total	No	43	230	75	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.19) Illustrates analysis of results for the question “Which of the following statements is correct? If somebody buys the stock of firm B in the stock market?”

University	University & q2.13						Total
		He owns a part of firm B	he has lent money to firm B	he is liable for firm B's debts	none of the above	do not know	
University of Palestine - Bachelor	No	21	1	1	2	3	28
	%	9.7%	3.1%	5.9%	14.3%	4.4%	8.0%
Islamic University - Bachelor	No	53	8	2	1	9	73
	%	24.4%	25.0%	11.8%	7.1%	13.2%	21.0%
Al Azhar university - Bachelor	No	37	6	3	2	12	60
	%	17.1%	18.8%	17.6%	14.3%	17.6%	17.2%
Al-Aqsa University - Bachelor	No	28	4	7	5	26	70
	%	12.9%	12.5%	41.2%	35.7%	38.2%	20.1%
Al Azhar University_ Master	No	7	2	0	0	6	15
	%	3.2%	6.3%	0.0%	0.0%	8.8%	4.3%
Islamic University_ Master	No	71	11	4	4	12	102
	%	32.7%	34.4%	23.5%	28.6%	17.6%	29.3%
Total	No	217	32	17	14	68	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.20) Illustrates analysis of results for the question “Which of the following assets its holder is considered as owner and lender, respectively?”

University	University & q2.14					Total
		Savings accounts, Stocks	Bonds, Stocks	Stocks, Bonds	Do not know	
University of Palestine - Bachelor	No	1	21	1	5	28
	%	2.4%	10.5%	3.3%	6.6%	8.0%
Islamic University - Bachelor	No	12	44	5	12	73
	%	28.6%	22.0%	16.7%	15.8%	21.0%
Al Azhar university – Bachelor	No	5	34	5	16	60
	%	11.9%	17.0%	16.7%	21.1%	17.2%
Al-Aqsa University – Bachelor	No	14	25	11	20	70
	%	33.3%	12.5%	36.7%	26.3%	20.1%
Al Azhar University_ Master	No	0	9	2	4	15
	%	0.0%	4.5%	6.7%	5.3%	4.3%
Islamic University_ Master	No	10	67	6	19	102
	%	23.8%	33.5%	20.0%	25.0%	29.3%
Total	No	42	200	30	76	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.21) Illustrates analysis of results for the question “Stocks are normally riskier than bonds?”

University	University & q2.15				
		True	False	Don't Know	Total
University of Palestine - Bachelor	No	22	4	2	28
	%	10.9%	4.8%	3.2%	8.0%
Islamic University - Bachelor	No	46	19	8	73
	%	22.8%	22.6%	12.9%	21.0%
Al Azhar university - Bachelor	No	27	16	17	60
	%	13.4%	19.0%	27.4%	17.2%
Al-Aqsa University - Bachelor	No	44	13	13	70
	%	21.8%	15.5%	21.0%	20.1%
Al Azhar University_ Master	No	8	4	3	15
	%	4.0%	4.8%	4.8%	4.3%
Islamic University_ Master	No	55	28	19	102
	%	27.2%	33.3%	30.6%	29.3%
Total	No	202	84	62	348
	%	100.0%	100.0%	100.0%	100.0%

Appendix 6.2

Shows the differences among different specialization students in answering financial literacy section

Specialization & Financially Literate

Table (1.22) Illustrates analysis of results for the question “Are you familiar with the Palestinian Monetary Authority?”

University	specialization & q2.1				
		Yes	No	To some extent	Total
Engineering	No	3	5	7	15
	%	2.4%	5.4%	5.3%	4.3%
Trade	No	111	85	119	315
	%	89.5%	92.4%	90.2%	90.5%
Education	No	4	2	0	6
	%	3.2%	2.2%	0.0%	1.7%
Sciences	No	0	0	1	1
	%	0.0%	0.0%	0.8%	0.3%
Information Technology	No	6	0	5	11
	%	4.8%	0.0%	3.8%	3.2%
Total	No	124	92	132	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.23) Illustrates analysis of results for the previous question “If Yes, what is the role of PMA?”

University	University & q2.1.1				
		Manage the production and distribution of the nation's currency (NIS)	Regulate and supervise of banks, specialized lending institutions and money exchangers operating in Palestine.	Increase a NIS value, so PMA can buy currency and hold it in its reserves.	Total
Engineering	No	0	3	0	3
	%	0.0%	3.0%	0.0%	2.4%
Trade	No	9	87	15	111
	%	90.0%	87.9%	100.0%	89.5%
Education	No	1	3	0	4
	%	10.0%	3.0%	0.0%	3.2%
Sciences	No	0	6	0	6
	%	0.0%	6.1%	0.0%	4.8%
Information Technology	No	10	99	15	124
	%	100.0%	100.0%	100.0%	100.0%
Total	No	0	3	0	3
	%	0.0%	3.0%	0.0%	2.4%
A	Manage the production and distribution of the nation's currency (NIS)				
B	Regulate and supervise of banks, specialized lending institutions and money exchangers operating in Palestine.				
C	Increase a NIS value, so PMA can buy currency and hold it in its reserves				

Table (1.24) Illustrates analysis of results for the question “Are you familiar with the Commercial and Islamic banks?”

University	University & q2.2				
		Yes	No	To some extent	Total
Engineering	No	6	1	8	15
	%	3.7%	1.6%	6.5%	4.3%
Trade	No	145	58	112	315
	%	89.0%	95.1%	90.3%	90.5%
Education	No	5	0	1	6
	%	3.1%	0.0%	0.8%	1.7%
Sciences	No	1	0	0	1
	%	0.6%	0.0%	0.0%	0.3%
Information Technology	No	6	2	3	11
	%	3.7%	3.3%	2.4%	3.2%
Total	No	163	61	124	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.25) Illustrates analysis of results for the question “Are you familiar with the Insurance companies?”

University	University & q2.3				
		Yes	No	To some extent	Total
Engineering	No	6	2	7	15
	%	3.9%	2.1%	7.1%	4.3%
Trade	No	135	94	86	315
	%	88.8%	96.9%	86.9%	90.5%
Education	No	4	0	2	6
	%	2.6%	0.0%	2.0%	1.7%
Sciences	No	1	0	0	1
	%	0.7%	0.0%	0.0%	0.3%
Information Technology	No	6	1	4	11
	%	3.9%	1.0%	4.0%	3.2%
Total	No	152	97	99	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.26) Illustrates analysis of results for the question “Are you familiar with the non-banking financial institutions (lending Institution)?”

University	University & q2.4				
		Yes	No	To some extent	Total
Engineering	No	3	6	6	15
	%	2.4%	4.0%	8.5%	4.3%
Trade	No	114	139	62	315
	%	90.5%	92.1%	87.3%	90.5%
Education	No	2	2	2	6
	%	1.6%	1.3%	2.8%	1.7%
Sciences	No	1	0	0	1
	%	0.8%	0.0%	0.0%	0.3%
Information Technology	No	6	4	1	11
	%	4.8%	2.6%	1.4%	3.2%
Total	No	126	151	71	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.27) Illustrates analysis of results for the question “Are you familiar with the Palestine Stock Market?”

University	University & q2.5				
		Yes	No	To some extent	Total
Engineering	No	1	9	5	15
	%	1.1%	6.0%	4.5%	4.3%
Trade	No	84	131	100	315
	%	94.4%	87.9%	90.9%	90.5%
Education	No	2	3	1	6
	%	2.2%	2.0%	0.9%	1.7%
Sciences	No	0	1	0	1
	%	0.0%	0.7%	0.0%	0.3%
Information Technology	No	2	5	4	11
	%	2.2%	3.4%	3.6%	3.2%
Total	No	89	149	110	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.28) Illustrates analysis of results for the previous question If YES, which of the following statements describes the main function of the stock market?

University	University & q2.5.1					Total
		The stock market helps you to borrow money.	The stock market works as mortgage broker.	The stock market brings people who want to buy stocks together with those who want to sell stocks	Other	
Engineering	No	0	0	1	0	1
	%	0.0%	0.0%	1.6%	0.0%	1.1%
Trade	No	7	18	58	1	84
	%	100.0%	100.0%	92.1%	100.0%	94.4%
Education	No	0	0	2	0	2
	%	0.0%	0.0%	3.2%	0.0%	2.2%
Information Technology	No	0	0	2	0	2
	%	0.0%	0.0%	3.2%	0.0%	2.2%
Total	No	7	18	63	1	89
	%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.29) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: Commercial Bank)

University	University & q2.6.1			Total
		Yes	No	
Engineering	No	1	14	15
	%	1.6%	4.9%	4.3%
Trade	No	58	257	315
	%	95.1%	89.5%	90.5%
Education	No	0	6	6
	%	0.0%	2.1%	1.7%
Sciences	No	0	1	1
	%	0.0%	0.3%	0.3%
Information Technology	No	2	9	11
	%	3.3%	3.1%	3.2%
Total	No	61	287	348
	%	100.0%	100.0%	100.0%

Table (1.30) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: Islamic Bank)

University	University & q2.6.2			Total
		Yes	No	
Engineering	No	4	11	15
	%	3.4%	4.7%	4.3%
Trade	No	103	212	315
	%	88.8%	91.4%	90.5%
Education	No	3	3	6
	%	2.6%	1.3%	1.7%
Sciences	No	1	0	1
	%	0.9%	0.0%	0.3%
Information Technology	No	5	6	11
	%	4.3%	2.6%	3.2%
Total	No	116	232	348
	%	100.0%	100.0%	100.0%

Table (1.31) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: Palestine Stock Market)

University	University & q2.6.3			Total
		Yes	No	
Engineering	No	0	15	15
	%	0.0%	5.1%	4.3%
Trade	No	55	260	315
	%	98.2%	89.0%	90.5%
Education	No	1	5	6
	%	1.8%	1.7%	1.7%
Sciences	No	0	1	1
	%	0.0%	0.3%	0.3%
Information Technology	No	0	11	11
	%	0.0%	3.8%	3.2%
Total	No	56	292	348
	%	100.0%	100.0%	100.0%

Table (1.32) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: friends)

University	University & q2.6.4			Total
		Yes	No	
Engineering	No	2	13	15
	%	4.3%	4.3%	4.3%
Trade	No	39	276	315
	%	84.8%	91.4%	90.5%
Education	No	2	4	6
	%	4.3%	1.3%	1.7%
Sciences	No	0	1	1
	%	0.0%	0.3%	0.3%
Information Technology	No	3	8	11
	%	6.5%	2.6%	3.2%
Total	No	46	302	348
	%	100.0%	100.0%	100.0%

Table (1.33) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: family member)

University	University & q2.6.5			Total
		Yes	No	
Engineering	No	6	9	15
	%	7.1%	3.4%	4.3%
Trade	No	72	243	315
	%	85.7%	92.0%	90.5%
Education	No	1	5	6
	%	1.2%	1.9%	1.7%
Sciences	No	0	1	1
	%	0.0%	0.4%	0.3%
Information Technology	No	5	6	11
	%	6.0%	2.3%	3.2%
Total	No	84	264	348
	%	100.0%	100.0%	100.0%

Table (1.34) Illustrates analysis of results for the question “A Suppose you have an amount of money, in which of the following institution you prefer to invest your money?” (Answer: experienced investor)

University	University & q2.6.6			Total
		Yes	No	
Engineering	No	8	7	15
	%	4.7%	3.9%	4.3%
Trade	No	150	165	315
	%	88.8%	92.2%	90.5%
Education	No	3	3	6
	%	1.8%	1.7%	1.7%
Sciences	No	0	1	1
	%	0.0%	0.6%	0.3%
Information Technology	No	8	3	11
	%	4.7%	1.7%	3.2%
Total	No	169	179	348
	%	100.0%	100.0%	100.0%

Table (1.35) Illustrates analysis of results for the question “Let's assume that in 2017 your income is twice as now, and the consumer prices also grow twofold. Do you think that in 2017 you will be able to?”

University	University & q2.7					Total
		Buy more	Buy the same	Less	Don't know	
Engineering	No	3	7	5	0	15
	%	5.8%	3.2%	10.6%	0.0%	4.3%
Trade	No	47	198	41	29	315
	%	90.4%	90.4%	87.2%	96.7%	90.5%
Education	No	1	5	0	0	6
	%	1.9%	2.3%	0.0%	0.0%	1.7%
Sciences	No	0	1	0	0	1
	%	0.0%	0.5%	0.0%	0.0%	0.3%
Information Technology	No	1	8	1	1	11
	%	1.9%	3.7%	2.1%	3.3%	3.2%
Total	No	52	219	47	30	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.36) Illustrates analysis of results for the question “Ali recently bought accident medical insurance with NIS 10,000 cover. The next day, he met with an accident and had to be hospitalized. He incurred NIS 5,000 in hospital fees. How much do you think the medical insurance policy will pay for?”

University	University & q2.8					Total
		10,000 NIS	5,000 NIS or less	Zero	Don't know	
Engineering	No	1	10	0	4	15
	%	3.7%	4.5%	0.0%	4.2%	4.3%
Trade	No	26	196	5	88	315
	%	96.3%	89.1%	100.0%	91.7%	90.5%
Education	No	0	4	0	2	6
	%	0.0%	1.8%	0.0%	2.1%	1.7%
Sciences	No	0	1	0	0	1
	%	0.0%	0.5%	0.0%	0.0%	0.3%
Information Technology	No	0	9	0	2	11
	%	0.0%	4.1%	0.0%	2.1%	3.2%
Total	No	27	220	5	96	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.37) Illustrates analysis of results for the question “Ali is carpenter who recently borrowed some money from a local moneylender. His loan was consumption loan. What do you think he bought?”

University	University & q2.9					Total
		Drill for his carpentry.	Wood for current orders.	Fridge for his home.	Paints for his carpentry.	
Engineering	No	2	5	8	0	15
	%	2.7%	5.8%	4.5%	0.0%	4.3%
Trade	No	69	79	156	11	315
	%	94.5%	91.9%	87.6%	100.0%	90.5%
Education	No	0	0	6	0	6
	%	0.0%	0.0%	3.4%	0.0%	1.7%
Sciences	No	1	0	0	0	1
	%	1.4%	0.0%	0.0%	0.0%	0.3%
Information Technology	No	1	2	8	0	11
	%	1.4%	2.3%	4.5%	0.0%	3.2%
Total	No	73	86	178	11	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.38) Illustrates analysis of results for the question “Suppose I have a savings account in a bank and the bank closes down for some reason, will I get my money back?”

University	University & q2.10				
		Yes	No	Don't Know	Total
Engineering	No	12	0	3	15
	%	5.6%	0.0%	3.3%	4.3%
Trade	No	189	41	85	315
	%	88.3%	95.3%	93.4%	90.5%
Education	No	5	1	0	6
	%	2.3%	2.3%	0.0%	1.7%
Sciences	No	1	0	0	1
	%	0.5%	0.0%	0.0%	0.3%
Information Technology	No	7	1	3	11
	%	3.3%	2.3%	3.3%	3.2%
Total	No	214	43	91	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.39) Illustrates analysis of results for the question “Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?”

University	University & q2.11						Total
		More than \$102	Exactly \$102	Less than \$102	Do not know	None-of the mentioned	
Engineering	No	12	0	0	1	2	15
	%	6.9%	0.0%	0.0%	1.2%	4.5%	4.3%
Trade	No	148	28	18	79	42	315
	%	84.6%	100.0%	100.0%	95.2%	95.5%	90.5%
Education	No	4	0	0	2	0	6
	%	2.3%	0.0%	0.0%	2.4%	0.0%	1.7%
Sciences	No	1	0	0	0	0	1
	%	0.6%	0.0%	0.0%	0.0%	0.0%	0.3%
Information Technology	No	10	0	0	1	0	11
	%	5.7%	0.0%	0.0%	1.2%	0.0%	3.2%
Total	No	175	28	18	83	44	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.40) Illustrates analysis of results for the question “Please tell me whether this statement is true or false. ‘Buying a single company’s stock usually provides a safer return than a stock mutual fund?’”

University	University & q2.12				
		True	False	Do not know	Total
Engineering	No	1	12	2	15
	%	2.3%	5.2%	2.7%	4.3%
Trade	No	40	203	72	315
	%	93.0%	88.3%	96.0%	90.5%
Education	No	0	6	0	6
	%	0.0%	2.6%	0.0%	1.7%
Sciences	No	0	1	0	1
	%	0.0%	0.4%	0.0%	0.3%
Information Technology	No	2	8	1	11
	%	4.7%	3.5%	1.3%	3.2%
Total	No	43	230	75	348
	%	100.0%	100.0%	100.0%	100.0%

Table (1.41) Illustrates analysis of results for the question “Which of the following statements is correct? If somebody buys the stock of firm B in the stock market?”

University	University & q2.13						
		He owns a part of firm B	he has lent money to firm B	he is liable for firm B’s debts	none of the above	do not know	Total
Engineering	No	10	2	0	0	3	15
	%	4.6%	6.3%	0.0%	0.0%	4.4%	4.3%
Trade	No	194	30	16	13	62	315
	%	89.4%	93.8%	94.1%	92.9%	91.2%	90.5%
Education	No	4	0	0	0	2	6
	%	1.8%	0.0%	0.0%	0.0%	2.9%	1.7%
Sciences	No	0	0	1	0	0	1
	%	0.0%	0.0%	5.9%	0.0%	0.0%	0.3%
Information Technology	No	9	0	0	1	1	11
	%	4.1%	0.0%	0.0%	7.1%	1.5%	3.2%
Total	No	217	32	17	14	68	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.42) Illustrates analysis of results for the question “Which of the following assets its holder is considered as owner and lender, respectively?”

University	University & q2.14					
		Savings accounts, Stocks	Bonds, Stocks	Stocks, Bonds	Do not know	Total
Engineering	No	0	10	1	4	15
	%	0.0%	5.0%	3.3%	5.3%	4.3%
Trade	No	42	175	29	69	315
	%	100.0%	87.5%	96.7%	90.8%	90.5%
Education	No	0	5	0	1	6
	%	0.0%	2.5%	0.0%	1.3%	1.7%
Sciences	No	0	1	0	0	1
	%	0.0%	0.5%	0.0%	0.0%	0.3%
Information Technology	No	0	9	0	2	11
	%	0.0%	4.5%	0.0%	2.6%	3.2%
Total	No	42	200	30	76	348
	%	100.0%	100.0%	100.0%	100.0%	100.0%

Table (1.43) Illustrates analysis of results for the question “Stocks are normally riskier than bonds?”

University	University & q2.12				
		Yes	No	Don't know	Total
Engineering	No	8	4	3	15
	%	4.0%	4.8%	4.8%	4.3%
Trade	No	184	77	54	315
	%	91.1%	91.7%	87.1%	90.5%
Education	No	4	0	2	6
	%	2.0%	0.0%	3.2%	1.7%
Sciences	No	1	0	0	1
	%	0.5%	0.0%	0.0%	0.3%
Information Technology	No	5	3	3	11
	%	2.5%	3.6%	4.8%	3.2%
Total	No	202	84	62	348
	%	100.0%	100.0%	100.0%	100.0%


Table (1.44) Illustrates analysis of results for the question “Are you familiar with the Commercial and Islamic banks?”

	University	University & q2.2				
			Yes	No	To some extent	Total
Engineering	Al Azhar University_ Master	No	1	1	1	3
		%	33.3%	20.0%	14.3%	20.0%
	Islamic University_ Master	No	2	4	6	12
		%	66.7%	80.0%	85.7%	80.0%
Total		No	3	5	7	15
		%	100.0%	100.0%	100.0%	100.0%
Trade	University of Palestine - Bachelor	No	10	8	10	28
		%	9.0%	9.4%	8.4%	8.9%
	Islamic University – Bachelor	No	34	14	25	73
		%	30.6%	16.5%	21.0%	23.2%
	Al Azhar university – Bachelor	No	13	23	24	60
		%	11.7%	27.1%	20.2%	19.0%
	Al-Aqsa University – Bachelor	No	22	27	21	70
		%	19.8%	31.8%	17.6%	22.2%
	Al Azhar University_ Master	No	3	3	5	11
		%	2.7%	3.5%	4.2%	3.5%
	Islamic University_ Master	No	29	10	34	73
		%	26.1%	11.8%	28.6%	23.2%
Total		No	111	85	119	315
		%	100.0%	100.0%	100.0%	100.0%
Education	Al Azhar University_ Master	No	1	0		1
		%	25.0%	0.0%		16.7%
	Islamic University_ Master	No	3	2		5
		%	75.0%	100.0%		83.3%
Total		No	4	2		6
		%	100.0%	100.0%		100.0%
Sciences	Islamic University_ Master	No			1	1
		%			100.0%	100.0%
Total		No			1	1
		%			100.0%	100.0%
Information Technology	Islamic University_ Master	No	6		5	11
		%	100.0%		100.0%	100.0%
Total		No	6		5	11
		%	100.0%		100.0%	100.0%
Total	University of Palestine - Bachelor	No	10	8	10	28
		%	8.1%	8.7%	7.6%	8.0%
	Islamic University - Bachelor	No	34	14	25	73
		%	27.4%	15.2%	18.9%	21.0%
	Al Azhar university - Bachelor	No	13	23	24	60
		%	10.5%	25.0%	18.2%	17.2%
	Al-Aqsa University - Bachelor	No	22	27	21	70
		%	17.7%	29.3%	15.9%	20.1%
	Al Azhar University_ Master	No	5	4	6	15
		%	4.0%	4.3%	4.5%	4.3%
	Islamic University_ Master	No	40	16	46	102
		%	32.3%	17.4%	34.8%	29.3%
Total		No	124	92	132	348
		%	100.0%	100.0%	100.0%	100.0%

Appendix (7)
Letters for Facilitating the Researcher Tasks

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

 **الجامعة الإسلامية - غزة**
The Islamic University - Gaza

Faculty of Commerce

كلية التجارة
ج من ع/ 62
الرقم 14 محرم 1438
التاريخ 15 أكتوبر 2016

لمن يهمه الأمر

السلام عليكم ورحمة الله وبركاته،،،


الموضوع: تسهيل مهمة الباحث: ندى انور صرصور

تهديكم كلية التجارة بالجامعة الإسلامية تحياتها، وترجو التكرم بمساعدة الباحث المذكور أعلاه، والملتحق في برنامج ماجستير إدارة الأعمال، برقم جامعي (220140031) في تسهيل مهمته في توزيع الاستبانة والتي سوف تساعد في استكمال رسالة ماجستير بعنوان:
(Financial Literacy Examine the Financial Literacy of Economics and Administration Sciences Students Research Proposal)

وذلك خدمة للبحث العلمي.

وتقبلوا فائق الاحترام والتقدير،،،

عميد كلية التجارة
أ.د. محمد إبراهيم مقداد



صورة إلى:
*الملف:

المنفذ: د. الطائي إبراهيم الحمد
لا مانع من توزيع الاستبانة شرط ان لا تأخذ اسماء الطلاب
المدرسة مع نسخة الاستبانة في عيب العيب

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كلية التجارة

ج س ع / 62
الرقم 12 جمادى الأولى 1438
التاريخ 8 فبراير 2017
Date

لمن يهمه الأمر

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**Financial Literacy Examine the Financial Literacy of Economics)
(and Administration Sciencess Students Research Proposal**

وذلك خدمة للبحث العلمي.

وتقبلوا غائق الاحترام والتقدير،،،

عميد كلية التجارة

أ.د. محمد إبراهيم مقداد



صورة إلى:
الملف