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The effects of economic rationality, currency perception, and money attitudes of working youth on financial management competencies

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Abstract

The prominence of past financial activities in the future planning of economic units is quite high. Numerous environmental factors play a role in the financial management skills of households, which are the economy's building blocks. Individuals acquire economic competencies by experiencing, understanding, and observing these environmental factors. Particularly, individuals within the age range of 8-17 assume importance in acquiring these competencies. In the study to determine the impact of economic rationality, currency perception, and money attitudes of 132 young participants within the age group of 8-17 working in Fatih Industry, Büyük Industry, Bağkur Industry, Akçaabat Industry, Arsin Organized Industry, and Yomra Furniture Industry sites in Trabzon, on financial management competencies. As a result of the analysis, it was observed that the economic rationality, currency perception, and money attitudes of employed young individuals impact their financial management competencies.

1. Introduction

It is necessary for individuals to work to meet their own needs as well as of those around them, and to earn the income to be utilized. Effective and efficient utilization of earned income depends on making the right financial management decisions. The value of financial resources owned on an economic basis is better understood in terms of problems that arise on a global scale. Young adults encounter unprecedented complexities in this challenging financial environment (Tang & Peter, 2015: 119). In this regard, the establishment of a financial basis at an early age would enable individuals to make the right financial decisions for themselves.

Experiencing is a way of acquiringvitalevidencethatbridgesthegapbetweenknowledgeandbehavior. Experiential learning is the process of using life experience to internalize knowledge. Experiential learning theory suggests that there is one of the key ways that children can learn about money through their own experiences (Kolb, 2014). Financial experimentation will be the determining factor in many areas of individual financial life, including children's education, market participation, wealth management, insurance investment, retirement planning and future financial well-being (Tham et al, 2019). Financial decisions made early in life will have long-term economic and social effects (Montoya & Scott, 2013). In particular, working experience in financial management will provide individuals with important competencies. Experiential learning allows individuals to test their understanding and explore their evolving ideas through interaction with the environment (Galligan, 1995; Gregory, 2002; Harris, Denise & Thomas, 1989; Kolb, 1984). The cognitive abilities of individuals and the knowledge they obtain through experiential learning determine their financial management quality.

Economic independence of individuals is important for themselves, their families and society. Young adult's economic independence as one of the most important criteria for entering adulthood (Arnett, 2000). Financially independent young adults are necessary for the economically healthy development of societies (Xiao et al., 2014). Testate of economic independence is crucial not only for young adults and their families, but also for the economic

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well-being of society (Mendola, 2020). Financial freedom also marks the turning point in the adulthood of young people (Cui et al., 2019). Three main determinants affect the level of financial independence of young people (Xiao et al., 2014):

1. Economic determinants: income, assets, employment status, education.
2. Psychological factors: economic self-efficacy, money management ability, problem-solving ability,
3. Family economic determinants: parental income, savings, financial assistance

The success of financial activities depends on appropriate financial management practices. Financial experiences are the lifelong goal of individuals and a basis of future financial well-being (Bakar & Bakar, 2020). Financial management competency is the decision mechanism that accomplishes the targeted level of profitability for companies and directs individuals to the correct use of their economic incomes. These decisions are comprised of planning, budgeting, and activity phases. The planning stage involves the activities to be carried out in the economic sense, the budgeting phase involves financial needs for the activities, and the activity phase involves the execution of the planned activities and the resources. These decisions, which are effective on the financial success of economic units, should be made by considering past experiences. Managing resources requires not only money management skills, such as being familiar with generating and maintaining a budget, but also life skills, such as self-control (Atkinson et al., 2007; Moffitt et al., 2011). Putting these skills into action will enable them to be used correctly; therefore, individuals will also benefit from financial self-efficacy and confidence in the future (Danes et al.,1999).

The adequate personal financial decision assumes not only theoretical knowledge of financial concepts, but also applicable financial experience (Bacova et al., 2017: 87). Financial management practices refer to a process of value or wealth creation that requires effective financial decision (Titman et al., 2017). As individuals begin to learn the extent to which resources are effectively managed, plan ahead, and come up with conscious financial decisions, these experiences would then positively affect their financial well-being. As young people age, they become utterly independent and try to control higher amounts of financial resources, often by working part-time jobs or taking allowances from parents. These financial decisions become more ordinary and significant, as well as potentially riskier for young individuals (Drever et al., 2015: 26).

Work experience is a part of education. Work experience complements theoretical knowledge in terms of technical skills. In Turkey, individuals at the level of Commerce and Vocational High Schools are offered the opportunity to do internships in parallel with their education. In many areas of life, from health to finance, those with higher levels of education have better outcomes (Banks et al., 2019). Education leads people to make better choices (Cutler & Lleras-Muney, 2008) and is consistent with correlational evidence that better educated people make better quality choices (Choi et al., 2014). The financial experience process, which is commenced with working life, would affect individuals' currency perceptions and money attitudes and enable more rational economic decisions to be made. In this process, firstly, the concept of money should be described and defined in life.

1.1. Economic rationality

Rationalism is a profession and method that opposes tradition on the one hand and dogmatism on the other (Başgil, 1942: 25, Bolay, 1990: 223). In a broad sense, it encompasses the activity of thought, observation and experience. In a narrow sense, it is used as the opposite of empiricism, not irrationality (Torun, 2008). In philosophy, rationality refers to a type of thinking activity or the ability to form concepts, judgments, and reasoning. Apart from the meaning of sensitivity, it represents the developed cognitive form and cognitive ability of human. On the other hand, it also refers stone's ability to intellectually control one's behavior (Lü & Hao, 2022:1). In the dimension of economic rationality, individuals are required to be able to make cost-benefit comparisons of economic preferences, direct monetary resources to rational choices, and comprehend the meanings of excess supply or shortage. In the framework of behavioral finance, the cognitive and economic rationality abilities of the individuals participating in the study were tried to be determined with the restatements. The concept that forms the basis of concepts such as utility, cost, supply, and demand in the economics literature is money. Money gains different meanings according to people's life and learning curves. Exhibiting financial behaviors such as earning, spending, and saving money, especially at an early age, allows individuals to make more rational economic decisions.

1.2. Currency perception

Unlike the purchasing value of the currency, it has symbolic meanings (Burgoyne et al., 1999). Currency perception is an emotion-based value that can be added too subtracted from this purchasing value (Tyszka &

Przybyszewski, 2006). It has been determined that different perceptions about money are related to financial knowledge and behaviors (Norvilitis et al., 2006). The individuals' interest in monetary issues, their perception of monetary issues as a process that should be managed throughout their life, and their exhibition of planning and budgeting behaviors are the criteria that determine the currency perception. In the study, the time factor, which is thought to affect individuals' perceptions about money, has been considered. Individuals working at an early age means they gain different economic meanings related to money.

1.3. Money attitude

Another scale on which financial experiences are effective is money attitude. Money attitude involves a person's feelings, thoughts, and behaviors towards money (Tang, 1992). Our attitudes and feelings about money integrate into our lives and motivate our behaviors subtly (Hanley & Wilhelm, 1992:9). In consumer research, attitudes towards money differ among individuals and significantly impact financial behavior (Prince, 1991). Money-related attitudes can play an important role in increasingmotivationtogainadditionalfinancialmanagementknowledge (Edwards et al., 2007). Money attitudes indicate that money has various meanings, including an important part of living by one's level of understanding and personality, a source of respect, quality of life, freedom, and even crime (Durvasula & Lysonski, 2007).

1.4. Turkey's child population demographics

According to the address-based population registration system (ADNKS) data in Turkey, by the end of 2021, Turkey's population was 84.680.273 of which 22.783.300 were children. 51.3% of the child population consisted of boys, and 48.7% were girls. According to the United Nations definition, While the child population, including the 0-17 age group, constituted 48.5% of the total population in 1970, this rate was 41.8% in 1990 and 26.9% in 2021 (Turkish Statistical Institute, 2022). Considering the data, the child population rate in Turkey has been decreasing over the years.

Table 1. Children by age group, attendance to education and employment status, October-December-2019

Age groups and gender	Total			Attending education			Not attending education			
	Total	Working in economic activities	Not working	Total	Working in economic activities	Not working	Total	Working in economic activities	Not working	Those under the age of compulsory school attendance
Total	16457	720	15737	14264	473	13791	2193	247	787	1159
5-14	12808	146	12662	11249	105	11144	1559	41	359	1159
15-17	3649	574	3075	3015	368	2647	634	206	429	-
Boys	8449	508	7941	7335	333	7002	1114	175	344	595
5-14	6574	101	6472	5785	80	5705	789	21	173	595
15-17	1876	407	1469	1550	253	1297	326	154	172	-
Girls	8008	212	7796	6929	140	9789	1079	72	443	564
5-14	6235	45	6190	5464	25	5439	770	20	186	564
15-17	1773	167	1606	1465	115	1350	309	52	257	-
Total	100.0	4.4	95.6	100.0	3.3	96.7	100.0	11.2	35.9	52.9
5-14	100.0	1.1	98.9	100.0	0.9	99.1	100.0	2.6	23.0	74.4
15-17	100.0	15.7	84.3	100.0	12.2	87.8	100.0	32.4	67.6	-
Boys	100.0	6.0	94.0	100.0	4.5	95.5	100.0	15.7	30.9	53.4
5-14	100.0	1.5	98.5	100.0	1.4	98.6	100.0	2.7	21.9	75.4
15-17	100.0	21.7	78.3	100.0	16.3	83.7	100.0	47.2	52.8	-
Girls	100.0	2.6	97.4	100.0	2.0	98.0	100.0	6.6	41.0	52.3
5-14	100.0	0.7	99.3	100.0	0.5	99.5	100.0	2.6	24.2	73.3
15-17	100.0	9.4	90.6	100.0	7.8	92.2	100.0	16.9	83.1	-

**Thousand individuals Source: Turkish Statistical Institute (TSI)

The obtained data on the employment status of the child population within the 5-17 age group who attended or did not attend their education in Turkey as of 2019 are presented in Table 1. According to the data of the Turkish Statistical Institute (TSI), the total number of children in 2019 was 16,457,000 (consisting of 8,449,000 boys and 8,080,000 girls), 12,808,000 of which were within the 5-14 age group; and 3,649,000 of which were within the 15-17 age group. 4.5% of boys and 2% of girls who attended their education, as well as 15.7% of boys and 6.6%

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of girls who did not attend their education, were working in economic activities. Upon considering the table above, it is understood that there was a total of 720,000 child workers in Turkey as of 2019, corresponding to 4.3% of the total child population.

Table 2. Numbers of children working in economic activities by age group, gender, and reason for working, October-December-2019

Age groups and gender	Total	Reason for working				
		Contributing to household income	Assisting the economic activity of the household	Learning on the job, acquiring a profession	Meeting one's own needs	Other
Total	720	167	259	247	46	1
5-14	146	17	108	15	5	1
15-17	574	150	150	232	41	-
Boys	508	128	184	158	38	1
5-14	101	9	73	14	4	1
15-17	407	120	110	144	33	-
Girls	212	39	75	90	9	-
5-14	45	8	35	1	1	-
15-17	167	30	40	89	8	-

**Thousand individuals Source: Turkish Statistical Institute (TSI)

In Table 2, presenting the gender and reasons for working, it is seen that 167,000 of the employed children are working to contribute to the household income, 259,000 to help the economic activities of the household, 247,000 to learn on the job and acquire a profession, and 46,000 to meet their own needs. It is observed that working children mostly work to economically contribute to household activities.

Upon considering the data that is tried to be explained, the necessity of encouraging children, especially between the ages of 15-17, to work in Turkey would enable them to attain financial experience even earlier. Experiential learning is a term not widely used in the financial socialization literature, but it is a focal topic in the field of education (LeBaron et al., 2019:4). In this study, it is aimed to determine the effects of economic rationality, money perception, and money attitudes on financial management skills and to explain the importance of experiencing money by working at an early age, based on the financial experiences of young individuals through working. On the other hand, this study aims to indicate that the concept of experience, which is the basis of financial competencies, is essential for the finance literature.

2. Literature

Research shows that people obtain financial information from formal educational institutions, interactions with financial socialization elements such as friends, family, and media (Hilgert et al., 2003), and business life. People who receive allowances and have bank accounts tend to be more financially savvy (Johnson & Sherraden, 2007; Kotlikoff & Bernheim, 2001). Juan et al. (2013), who investigated the impacts of financial knowledge, financial practices, and self-statements of young adults in Malaysia on their money management skills, stated that a significant relationship existed between the tested variables and that financial practices increased the young adults' money management skills the most. Angulo-Ruiz & Pergelova (2015) reported that empowering young consumers is not only a knowledge issue but also financial habits should be supported. Fitzpatrick et al. (2005), in their study conducted on young people who participated in 4-H development programs, stated that such programs helped young participants learn and use certain life skills. Jones & Iredale (2006) studied young people who participated in the summer school sessions held at Durham University to develop entrepreneurial skills. Young people who participated in the study stated that they adopted entrepreneurship as a career option and job experience was an opportunity for them to gain self-employment experience.

Tang & Peter (2015) stated that financial education, financial experience, and financial experiences of the parents positively impacted the financial knowledge of young adults. Moreno-Herrero et al. (2018) reported in their study that comprehension of how to manage money well is a basic lifelong skill required for all aspects of adulthood and that students can be provided with the opportunity to learn by experience to encourage the students' saving habits. LeBaron et al. (2020) stated that if parents explicitly teach financial principles to their children, they will engage in healthier financial behaviors in adulthood. The authors also reported that parents can teach their children to divide the money they receive through pocket money or earning into three groups: saving, spending, and giving. Shim et al. (2010) revealed that an adolescent's attitude toward money was important in predicting their financial behavior.

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In his study on the financial literacy of young adults, Bartley (2019) stated that there was a connection between the work experience of young adults and their knowledge of finance and that young people with budgetary experience had higher levels of financial literacy. Friedline & West (2016) argue that millennial need more than just formal financial education to encourage positive financial behaviors and that political interventions are needed as a remedy. Jorgensen & Savla (2010) specifically stated that when children are given the opportunity to trade money in the market, they gain a deeper understanding of financial responsibility and develop confidence in their financial decisions. Frijins et al. (2014), in their study on 338 business school students in New Zealand, concluded that financial experiences have a positive and causal effect on financial literacy, based on the answers given by the students to the survey questions. Ward (1974) suggested childhood financial socialization as a critical area of study, but stated that experiences with money in childhood will significantly affect financial well-being in adulthood.

Chen & Volpe (1998), in their findings, indicated that participants with more work experience were more likely to be knowledgeable than those with less experience. In this study, it was stated that the participants in the 20-29 and 40 and over age categories appeared to be more knowledgeable than the other age groups. In their study on university students in Ghana et al., (2012) stated that age and work experience were positive predictors of participants' financial literacy. Shim et al. (2010) supported the proposition that parental behavior during adolescence, high school work experience, and high school financial education helped young adults form their financial learning, attitudes, and behaviors. Donohue et al., (2005), in their study on ninety-two high school students at a summer business institute, stated that young people who received financial management intervention learned more about financial management, while young people who obtained work social skills benefited more from their work experience.

In the study conducted by Mortimer (1994), it was stated that a relationship existed between work experience and increased level of responsibility and money management, that working students saved more money and had a higher financial management competency since they earned their own money and had direct management experience. Cunnien et al. (2009) stated that adult self-efficacy was sensitive to professional success and failure, and professional experiences also had formative impacts on adolescents' self-efficacy. Garman & Forgue (2011) stated that all the knowledge learned as a child can imply habits, values, attitudes and practices of the person in adulthood. Wahab et al. (2016) stated that the experience and information that every person, including those related to finance, gains and learns throughout his life will affect their financial literacy.

Hamilton & router (1980) investigated the impacts of work experience on adolescent development and stated that work experience represented a major ecological transition and, thus, in general, revealed many things regarding adolescent development. Drever et al. (2015) stated in their study that increases in financial independence among adolescents and young adults provide many opportunities for financial learning. In addition, the authors reported a greater need for experience-based, hands-on training programs that teach financial research skills and heuristics for money management. Lee et al. (2019), in their studies investigating he role of information on consumer financial well-being, stated that financial information without application may be in sufficient to maximize one's financial well-being. McCormick (2009) reported in his study that, despite the positive relationship between financial knowledge and positive financial behaviors, the evidence for a direct link between improved financial knowledge and responsible financial behavior is inconclusive. Oseifuah (2010) investigated the financial literacy levels of young entrepreneurs in South Africa in his study. At the end of the study, the author stated that financial literacy among young entrepreneurs is above the average and contributes significantly to entrepreneurial skills. Falahati et al. (2011) conducted a study to examine financial practice skills among young Malaysians. They reported in their study that many university students in Malaysia lack financial management skills and do not implement sound financial practices.

3. Methodology

This research has Ethics Committee Approval from Gümüşhane University dated 28/07/2022 and numbered 2022/5. All responsibility belongs to the researcher.

3.1. Research method, model, and hypotheses

The study aims to evaluate individuals' financial capabilities and the factors determining these competencies. In this context, the sample selection was made depending on the age criterion to correctly determine the participants who could be included in the study. For this reason, industrial zones were chosen for the analysis to reach employees between the ages of 8-17. Trabzon province in Turkey was chosen as the application area of the study.

In the research study, a quantitative research method is employed to detect the impacts of economic rationality, currency perception, and money attitudes of 132 young individuals aged 8-17 working in Fatih Industry, Büyük Industry, Bağkur Industry, Akçaabat Industry, Arsin Organized Industry, and Yomra Furniture Industry sites operating in Trabzon Province on financial management competencies. No selectivity was made in the researched industries. Four of the areas determined as the study area consist of automotive, one of them being the furniture and iron-steel-joinery industry. In this regard, a survey questionnaire consisting of 38 questions is applied to determine the participant's demographic information, economic rationality, currency perception, money attitudes, and financial management competencies. The financial management competency scale used in the survey questionnaire was first developed by Gutter et al. (2009) and Chen et al. (2001), the money attitude scale by Yamauçhi & Templer (1982), the economic rationality scale by Gerek & Kurt (2011), and currency perception scale by Erçiş et al. (2007). The survey questionnaires are conducted face-to-face, taking into account the participants' age groups by explaining the expressions on the scales.

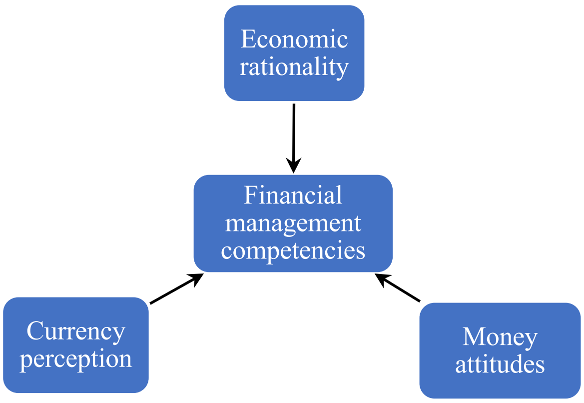

Figure 1. Research Model

The research model was established within the framework of money perception, attitude, and economic rationality dimensions, which are thought to be effective in the financial management competencies of young people. In the model through which the relationships among the variables are tried to be measured, the financial management competencies of young individuals constitute the dependent variable; economic rationality, currency perception, and money attitudes constitute the independent variables.

The hypotheses to be tested within the scope of the model are as follows:

H_1: There is a significant relationship between the economic rationality levels of young individuals and their financial management competencies.

H_2: There is a significant relationship between the currency perception levels of young individuals and their financial management competencies.

H_3: There is a significant relationship between the money attitude levels of young individuals and their financial management competencies.

4. Findings

The data will be explained in this section according to their demographic characteristics. In the analysis dimension, descriptive statistics of the variables, reliability analysis, correlation, and regression analysis will be given.

Table 3 presents the demographic information of the participants. The entire survey questionnaires are applied to male participants pursuant to the essence of the study. It is seen that 55% of the participants are between the ages of 14-16, 29% are at the age of 17, 75% are secondary school graduates, and 21% are elementary school graduates. In the working status of the parents, it is reported that 91% of the participants' fathers are employed, 13.4% of the participants' parents are not employed, and 96% are working voluntarily. The table also presents that 83% of the participants have 1-3 years of work experience, and 80% of the participants' fathers have elementary school education (63%) and high school education (32%). When we look at the general characteristics of the

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participants, it is seen that the age range is 14-16, the education level is secondary education, the father mostly works in families, they mostly work on their own will and their work experience is 4 years on average.

Table 3. Demographic information of the participants

Age	N	%	Number of siblings	N	%
8-10	5	4.0	None	6	4.5
11-13	19	14.3	1	12	9.1
14-16	71	53.7	2	30	22.7
17	37	28.0	3	44	33.3
Education			4	31	23.5
No education	-	-	5 and more	9	6.8
Elementary school	21	16.5	Job experience		
Secondary school	96	75.6	1-3 years	106	80.3
High school	6	0.8	4-6 years	21	15.9
High school dropout	9	7.1	7 years and over	5	3.8
Parents' employment status			Father's education level		
Working father	96	72.7	Elementary school	80	60.6
Working mother	2	1.5	High school	46	34.8
Working parents	17	12.8	University	6	4.6
Non-working parents	17	12.8			
Status of working on one's own accord					
Working on one's own accord	123	93.2			
Working up on the father's request	8	6			
Working up on the mother's request	1	0.8			

Table 4. Descriptive statistics of the variables

	n	Mean	Standard deviation
Financial management competency	127	3.72	0.87
Economic rationality	127	4.01	0.72
Currency perception	127	3.87	0.88
Money attitudes	127	3.71	0.80

Table 4 indicates that the mean values of the variables range between 3.71 - 4.01. In general, it can be claimed that the financial management competency, currency perception, and money attitudes of the participants are at a medium level, whereas their perceptions of economic rationality are at a partially high level.

Table 5. Reliability analysis results

Dimensions	Cronbach's Alpha	Number of statements
Financial management competency	0.849	8
Economic rationality	0.634	5
Currency perception	0.618	5
Money attitudes	0.719	8

Reliability is related to how accurately a measurement instrument measure (Tekin, 1993). The Cronbach alpha coefficient is used to measure the reliability of Likert-type scales and is calculated for the subscales of the scale. This coefficient gives information about the internal consistency of the items (Tezbaşaran, 1996). A high Cronbach alpha coefficient indicates that the items in that scale are consistent with each other (Karasar, 1994). Reliability analysis is performed to determine the reliability of the scales in the study's survey questionnaire. Based on the alpha coefficient, the scale's reliability (Kalaycı, 2018: 403-405) is expressed as follows: If $0.00 \leq \alpha < 0.40$, the scale is unreliable for the analysis. If $0.40 \leq \alpha < 0.60$, the reliability level of the scale for the analysis is low. If $0.60 \leq \alpha < 0.80$, it would be interpreted that the reliability level of the scale is quite adequate for the analysis. If $0.80 \leq \alpha < 100$, the scale is considered perfectly reliable for the analysis. It is seen that the reliability levels of the four scales in Table 5 are adequate and reliable.

Upon considering Table 6, it is seen that a statistically positive and significant relationship exists among all of the variables. The variables with the highest correlation levels are calculated as follows: financial management competency and currency perception ($r= 0.571$), ($p< 0.005$); economic rationality and financial management competency ($r= 0.390$), ($p< 0.005$); money attitudes and financial management competency ($r= 0.534$), ($p< 0.005$). It is seen in the table below that the correlation coefficients among the independent variables are lower than 0.80, and therefore, no multi-collinearity problem exists among the variables.

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Table 6. Correlation analysis results regarding the variables

Variables		Financial management competency	Economic rationality	Currency perception	Money attitude
Financial management competency	Pearson Correlation	1	0.390	0.571	0.534
	Significance		0.000	0.000	0.000
Economic rationality	Pearson Correlation	0.390	1	0.325	0.250
	Significance	0.000		0.000	0.000
Currency perception	Pearson Correlation	0.571	0.325	1	0.503
	Significance	0.000	0.000		0.000
Money attitude	Pearson Correlation	0.534	0.250	0.503	1
	Significance	0.000	0.000	0.000	

** Correlation is significant at 0.01 level.

Table 7. Multi regression analysis findings

Variable	B	Standard Error	β	t	p	VIF
Constant	0.170	0.394	0.198	0.431	0.000	
Economic Rationality	0.240	0.087	0.198	2.771	0.006**	1.131
Currency Perception	0.346	0.079	0.352	4.382	0.000**	1.418
Money Attitude	0.336	0.086	0.308	3.924	0.000**	1.354
Dependent Variable: Financial Management Competency, F:32.482. R = 0.665. R^2=0.442 Durbin-Watson: 1.887						
**p<0.05						

Table 7 presents the results of regression analysis in which the impacts of economic rationality, currency perception, and money attitudes on financial management competencies are determined. Before considering the regression analysis results, the Variance Inflation Factor (VIF) and Durbin-Watson coefficients should be considered (Korkmazer et al., 2016: 277). The VIF values lower than 5 indicate no multi-collinearity problem exists (Hair et al., 2011). Upon considering the analysis results presented in Table 7, the VIF values of the variables in the model are determined as lower than 5. Besides, the Durbin-Watson test value is checked to detect whether or not an autocorrelation problem exists, whereas this value (1,887) is determined to fulfill the condition of being lower than 1 and higher than 3 (Field, 2013).

The regression analysis (F:32,482; p<0.000), conducted to determine the impacts of the variables in the model on financial management competencies, is statistically significant. It is seen that economic rationality has a positive impact on financial management competencies by 24%, currency perception by approximately 35%, and money attitudes by approximately 34%, and H1, H2, and H3 hypotheses are accepted. Consequently, the adjusted-R2 value indicates that the independent variables explain 44% of the dependent variable.

5. Discussions and conclusion

Financial knowledge is as important to financial literacy as financial experience is to financial behavior literature. Experiencing gives individuals the opportunity to act while using information. In other words, it gives clues to individuals about the decisions that can be taken before making financial decisions. It allows to tolerate the risks of the financial decisions taken before hand. Experiences, on the other hand, help individuals acquire competence and talent.

Financial competencies are formed in accordance with the time at which the competency is acquired, not according to the line of business in which the economic units operate. Financial management skills are learned and developed with the right scheduling. For both companies and households, learning is an ongoing process. Throughout this learning process, practical training constitutes the basis of financial competencies in particular. The development of financial independence among young individuals is often related to the acquisition of post-secondary education and financial skills and resources, including obtaining employment, generating and maintaining checking and savings accounts, and acquiring assets (Kim & Chatterjee, 2013).

In the study, it is tried to explain the financial management skills of young individuals who acquire practical training, that is, who actually work and earn an economic gain. In this context, the financial management competencies formed by the economic rationality, currency perception, and money attitudes of young people within the 8-17 age group working in various industrial zones throughout Trabzon province are analyzed on the local scale. Within the scope of economic rationality, it can be claimed that young people may make benefit-cost, and profit-cost comparisons, make their expenditures according to their incomes and economically assess the services offered. Familiarity with monetary issues, planning, and budgeting concepts involves important parameters that

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determine the currency perceptions of young people. It is observed that the money earned is not merely an instrument that should be consumed at that moment, that it is necessary to save money for the future, that there is no hesitation in meeting the necessary and basic needs, and that unnecessary expenditure should be avoided. Through young adults' participation in the workforce, the development of positive adult identity is achieved through opportunities for future lucrative employment, financial independence, monetary adequacy, personal responsibility, and exposure to adult financial roles while earning income (Bauermeister et al., 2009).

Another striking aspect of the obtained results is that 93% of young individuals wish to work independently. Their voluntary work enables young people to learn faster and gain meaningful experiences. As a result, the importance of experience and schedule in acquiring competencies in financial matters is revealed. At this point, parents assume a crucial role. Exhibiting responsible financial behavior is a critical developmental task that must be accomplished on the path to adult self-sufficiency, and parents are at the center of this process (Shim et al., 2010: 1468).

Through practices such as work experience supported by family and school education, children can develop habits such as financial management skills such as money management, financial planning, and budgeting. These gains will also allow them to develop the financial self-efficacy they may need in adulthood. Another issue is that the effects of individuals' cognitive abilities on financial skills are limited. Considering their income status, parents can limit their children's opportunities to gain financial ability through work and money experience. On the other hand, one of the reasons why it takes longer for young adults to become financially independent is the higher education and training demand that society needs (Xiao et al., 2014). The study results indicate that young individuals within the 8-17 age group acquire financial management skills depending on the conditions in which they live. In this context, money earned and work experience acquired in the early periods enable young individuals to manage financial issues well and become talented. For this reason, regardless of income level, children should be given the opportunity to work and gain financial competence at an early age. Regardless of the field, the knowledge gained should be made more meaningful by concretizing with experiences.

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The author contributed to the research's design and implementation, analysis, and the manuscript's writing.

Disclosure statement

The author reported no potential conflict of interest.

Ethics committee approval

This research has Ethics Committee Approval from Gümüşhane University dated 28/07/2022 and numbered 2022/5. All responsibility belongs to the researcher. All parties participated in the research of their own free will.

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