A Baseline Investigation of Financial Literacy Levels: The Case of Kayseri Province[*]

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ABSTRACT

Financial literacy can be defined as the ability to comprehend financial concepts and issues in order to take the right decisions in the face of changing financial conditions and to manage one's own financial status through financial planning. The present study was conducted to determine the financial literacy levels of individuals living in the Kayseri province and to investigate the potential relationships between financial literacy levels and the demographic characteristics of individuals. Questionnaires were applied through face-to-face meetings to 400 individuals living in Kayseri province. Despite their having knowledge of some basic financial concepts like paid interest and time value of money, participants were found to have insufficient financial literacy levels. There were significant relationships between financial literacy and the demographic characteristics of the participants. Considering all the results, it was concluded that financial education should be provided to improve the financial literacy levels of individuals living in Kayseri province.

Keywords: *Financial Literacy, Financial Education, Kayseri.*
Jel Classification*: D14, G00, I22.*

Finansal Okuryazarlığın Temel Düzeyde İncelenmesi: Kayseri İli Örneği
ÖZET

Finansal okuryazarlık, finans dünyasındaki gelişmeler karşısında uygun kararlar alabilmeyi ve finansal planlama yaparak kendi finansal durumunu yönetebilmeyi sağlayacak düzeyde finansal kavramları anlayabilme yetkinliğine sahip olmak şeklinde tanımlanabilir. Çalışma kapsamında, Kayseri ilinde yaşayan bireylerin finansal okuryazarlık düzeylerinin yanı sıra bireylerin finansal okuryazarlıkları ile demografik özellikleri arasında anlamlı bir ilişki olup olmadığı tespit edilmeye çalışılmıştır. Bu amaçla Kayseri ilinde yaşayan 400 bireye yüz yüze görüşme yöntemiyle anket uygulanmıştır. Çalışma sonucunda bireylerin, ödenen faiz ve paranın zaman değeri gibi bazı temel finansal konular hakkında bilgi sahibi olmalarına karşın yeterli düzeyde finansal okuryazar olmadıkları ortaya çıkmıştır. Ayrıca bireylerin finansal okuryazarlıkları ile araştırma kapsamında ele alınan bütün demografik özellikleri arasında anlamlı bir ilişki olduğu gözlenmiştir. Çalışma kapsamında elde edilen bütün sonuçlar göz önünde bulundurulduğunda, bireylere finansal eğitim verilmesi gibi çeşitli tedbirler alınarak Kayseri ilinde yaşayan bireylerin finansal okuryazarlık düzeylerinin yükseltilmesi gerektiği söylenebilir.

Anahtar Kelimeler: *Finansal Okuryazarlık, Finansal Eğitim, Kayseri.*
JEL Sınıflandırması: *D14, G00, I22.*

1. INTRODUCTION

The rapid and comprehensive changes experienced in the financial world since the end of the 20th century have resulted in diverse financial tools, techniques and implementations. Such developments have therefore made financial literacy a significant issue.

When compared to the past, individuals today are faced with more financial events in their daily routines and forced to make decisions which can seriously influence their futures. For instance, the financial tools which were not commonly encountered in the past but are frequently encountered today, such as credit cards, personal and mortgage loans, personal pensions, insurances, bonds, and equities, in addition to the potential risks of such tools and how to bear these risks require knowledge and effort. High financial literacy levels allow individuals to be more conscious about how financial goods and services operate as well as which ones are more to their advantage or in their best interests and ultimately ease their decisions on financial issues.

The financial decisions to be made by individuals in society influence not only their own futures, but also the economic future of the country. Therefore, several researchers, academics, national and international organizations have recently focused their studies on the concept of financial literacy. The majority of these studies indicate the reason for the low financial literacy level of individuals as the lack of education and training about financial issues throughout their educational lives (Crain, 2013: 2; DeLaune et al., 2010: 103).

The problems created by low financial literacy levels influence not only developing countries, but also developed countries. Therefore, various strategies have been developed to improve the financial literacy levels of individuals in both developed and developing countries. Strategies have been developed to provide a variety of training to individuals and the success of such strategies primarily depends on the careful preparation of appropriate training programs. Before implementing such programs, of course, the financial literacy levels of individuals should be determined.

The primary objective of this study is to measure the financial literacy levels of the individuals living in the Kayseri province of Turkey. The relationships between financial literacy levels and various demographic characteristics are also investigated. Potential findings are expected to provide guidance for financial training programs to be organized by public authorities and non-governmental organizations to improve the financial literacy level of individuals.

2. FINANCIAL LITERACY

Several definitions of financial literacy are given in the literature. The concept, in a broad sense, was handled by some researchers so as to cover a wide range of economy-related issues, such as the effects of economic conditions on decisions and the attitudes of

individuals. In the strict sense, on the other hand, the concept focuses on savings, budgeting, insurance and investment-like basic monetary management issues (Worthington, 2006: 59).

According to Remund (2010), the financial literacy level of an individual is defined as the level of comprehension of basic financial concepts, the ability to take proper decisions in the face of changing economic conditions, and having sufficient confidence and ability to manage his/her own financial status through financial planning.

Goel and Khanna (2013) defined financial literacy as the ability of individuals to make conscious assessments in monetary management and to make efficient decisions accordingly.

In another definition made by taking the issues about which knowledge is required into consideration, financial literacy was defined as the ability to develop attitudes in the light of information about borrowing/lending, budgeting, saving, investment, diversification, and ensuring the balance between income and expenses (Bodie, 2006: 1).

Lusardi (2008) separated financial literacy into two levels as basic and advanced. According to this separation, basic financial literacy covers basic concepts like the operation of interest rates, the impacts of inflation and risk diversification. Advanced financial literacy includes advanced concepts like the relationships between risk and return, and the operation of bonds, equities, and investment funds.

In another study, financial literacy is defined as the full financial awareness, knowledge, experience, attitude and behaviors required to make proper financial decisions and to achieve individual financial welfare (Atkinson and Messy, 2012: 14). This definition is also used by the INFE (International Network on Financial Education) founded within the body of the OECD (Organization for Economic Co-operation and Development) and focuses mostly on financial literacy training.

As can be inferred from these definitions, the concept of financial literacy has not fully evolved as yet, but only constructed over certain bases. It is quite possible to supplement the concept with new features based on developments in the financial world.

3. SIGNIFICANCE OF FINANCIAL LITERACY

Recent developments in the world economy, especially in financial issues, have paved the way for the globalization of financial markets and improved the integration of markets (Yılmaz and Tuncay, 2012: 345). Such a case has therefore resulted in increased competition in financial markets, the diversification of financial instruments and the emergence of more complex financial products (Ergün et al., 2014: 849).

The new financial order has made the financial decisions of individuals, who are the basic building stones of the society and the economy, totally dependent on their knowledge about financial issues and products. Concordantly, the significance of financial literacy has come into prominence.

Jariwala and Sharma (2011) pointed out the great significance of financial literacy. From a micro perspective, individuals with higher financial literacy levels spend less, save more and manage risks better. From a macro perspective, with increasing demands for financial goods and services, economic fluctuations are decreased, and the development of financial market tools and economic development are accelerated. In addition, increased competition through improved financial literacy levels will probably result in more even capital distribution.

Since the financial markets of developing countries are at the beginning of the development process and usually have low financial literacy levels, the potential to benefit from improved financial literacy levels is quite low in these countries. Such benefits are not only for investors, but also for the whole of society by the financing of efficient investments through allocating the sources to financial markets (Özçam, 2006: 19).

The significance of financial literacy is increasing as a result of the liberalization of financial markets, easy access to the credit offered by financial organizations competing for market share, the rapid growth in development and marketing of financial goods and services, and state's incentives for individuals to take more responsibility for their pensions (Shaari, Hasan et al., 2013: 279).

The OECD states that financial literacy goes beyond the protection of consumers as an integral component of a strong structure for the regulation and inspection of financial markets (OECD, 2009: 11).

There are several benefits to high financial literacy levels for both the individual and society. On the other hand, in societies with low financial literacy levels, there are serious negative outcomes again for both individuals and society.

Low financial literacy levels make the comprehension of financial goods and services difficult and make individuals anxious when conducting financial activities. Such anxious individuals refrain from involvement in loans, monetary and security operations and are not able to communicate with financial organizations. In other words, these individuals experience financial exclusion. Consequently, long-term financial exclusion prevents these individuals from benefiting from the opportunities offered by the financial system and results in their incurring high costs in their financial activities (Capuano and Ramsay, 2011: 26-27).

Kinnunen and Pulkkinen (1998) indicated that financial problems constituted the bases of divorces, mental disorders and various other adverse experiences. Cleek and Pearson (1985) indicated in a study carried out in the USA that financial problems were the only reason for the divorces of 32.9% of females and 28.7% of males. According to a report of the Australian Institute of Family Studies, concerns about income and job-related issues result in intra-familial stress and tensions and then financial problems become a serious reason for divorces in married couples who are not knowledgeable about financial issues (Wolcott and Hughes, 1999: 10).

Several studies carried out on financial literacy pointed out the significance of the issue, the potential positive outcomes when the relevant significance is assigned to the issue and several negative outcomes for both individuals and society otherwise.

4. LITERATURE

A variety of organizations, institutes, and academics have conducted research to measure the financial literacy levels of different groups and to identify the factors influencing their financial literacy levels.

The OECD, NCEE (National Center on Education and the Economy), World Bank, VISA, ANZ Banking Group and various suchlike institutes and organizations have carried out studies on the financial literacy levels of different target groups. In Turkey, several institutes and organizations like the SPK (Capital Markets Board), The Ministry of Development, TEB (Turkish Economy Bank) and FODER (Financial Literacy and Access Union) have carried out studies on financial literacy.

Bernheim (1995, 1998) reported that the majority of financial consumers were not able to make even the simplest financial calculations, did not have a basic level of financial literacy and their saving activities were not organized.

Chen and Volpe (2002), Worthington (2006), Furtuna (2007) and Dvorak and Hanley (2010) carried out studies to identify the relationships between financial literacy and demographic characteristics and indicated gender as a determinant factor. Males had higher financial literacy levels than females in these studies. However, Jorgensen and Savla (2010) and Adeleke (2013) were not able to identify significant relationships between financial literacy levels and the gender of participants.

Worthington (2006), Abreu and Mendes (2010), Dvorak and Hanley (2010), Beres and Huzdik (2012) and Adeleke (2013) reported a positive relationship between financial literacy and educational level of participants. Despite the frequency of such a finding in the literature, Ansong and Gyensare (2012) were not able to identify such a relationship between financial literacy and the educational level.

Lusardi, Mitchell and Curto (2010) investigated the financial literacy levels of youth and reported low financial literacy levels for young people and indicated that less than one-third of young adults were familiar with interest, inflation and risk diversification-like basic concepts. Researchers also indicated that financial literacy was related both to the socio-demographic characteristics and financial literacy level of families. It was concluded that males with university-graduate parents who had equity and pension deposits were more knowledgeable about risk diversification than females with non-wealthy parents who had an educational level of high school or less.

Lusardi and Mitchell (2011), in a study carried out in the USA, asserted that the elderly, females, minorities and individuals with low educational levels might have low financial literacy levels.

Klapper, Lusardi and Panos (2013) carried out a study in Russia to present the impacts of low financial literacy levels in crisis periods and indicated that in an atmosphere of rapidly increasing debt ratio, only 41% of participants had knowledge of the compound interest concept and only 46% were able to answer a simple question about inflation.

Kılıç, Ata and Seyrek (2015) conducted a study in order to examine the financial literacy levels of university students in terms of their different demographic characteristics and the overall level of financial literacy of the students was found to be 48%. In addition, the financial literacy level of male students was higher compared to female students.

Öztürk and Demir (2015) carried out a research to determine the financial literacy and financial attitudes of the academic staff working at Süleyman Demirel University by testing their financial knowledge, financial behavior and financial attitudes in financial literacy and money management issues. According to the research, emerged that the academic staff were financial literate individuals but they needed more financial education.

Baysa and Karaca (2016) made an investigation to present financial literacy levels of bank customers, who could be segmented as retail, corporate and agricultural customers, and which segment group had higher financial literacy levels. The study revealed that, financial literacy of segment customers of banks were found to be at low levels. The lowest level of financial literacy was found to be in the agricultural segment group, and the highest level of financial literacy was found to be in the corporate segment group.

The ANZ Banking Group carried out a study in 2003 about the financial literacy levels of Australian adults and reported reasonable financial literacy levels in Australian society. There was a strong correlation between financial literacy and the socio-economic status of the participants. It was also indicated that individuals were no working for various reasons, unemployed people, individuals in the low income group, those with low saving and educational levels and single individuals had low financial literacy levels (Roy Morgan Research, 2003: 3-4).

NCEE, an organization that conducts various researches for the development of the American education system, conducted a research to measure the level of knowledge about financial issues of adults and high school students in 2005. According to the answers of the participants, which were asked to them within the scope of the research, adults achieved higher success than students and men achieved higher success than woman (NCCE, 2005: 9).

According to a study conducted by the OECD in 2005 to improve financial literacy, the financial understanding of all participants was low and they felt themselves more literate about financial issues than they actually were. The majority of participants were of the opinion that access to and comprehension of financial information was difficult. It was also

indicated that several consumers knew rather little about general financial products and they usually had quite insufficient knowledge about basic financial issues such as the relationship between risk and return (OECD, 2005: 45-46-91).

The financial sufficiency of Turkish people was investigated under certain topics in "Turkish Financial Sufficiency Research" conducted in cooperation with the SPK and the World Bank in 2012. The SPK reported a higher correct response rate to questions with increasing educational levels, low regular saving rates, and generally low rates for long-term future plans. It was also reported that the majority of individuals who did not use financial products indicated their reason as they did not need such products and the rate of such reasons decreased with increasing income levels.

VISA conducts various studies in financial literacy and financial education in many countries of the world. In this context, VISA conducted a survey on 25,000 participants from 27 countries in 2012 and published a report in 2013 evaluating the results. According to the report, having enough money to cope with emergencies was an important indicator of a person's economic stability, regardless of the level of income. In addition, it was noted that in only four countries most of the women followed a budget most of the time, and in the remaining 23 countries, the majority of women did not have the budget or there was no possibility of budgeting for economic reasons (VISA, 2013: 7).

TEB works intensively on financial literacy. In 2013, the first Financial Literacy Index of Turkey was formed by TEB with the cooperation of Boğaziçi University in order to support financial literacy studies. According to the Financial Literacy Index Reports published in 2013, 2014 and 2015, the financial literacy index for Turkey was determined as 59.8, 59.4 and 60.0 respectively (www.teb.com.tr, 23.04.2017).

5. RESEARCH METHODOLOGY

5.1. Research Objectives, Model and Hypotheses

The primary objective of this study is to classify the basic financial literacy levels of individuals living in Kayseri province as low, medium and high. Research participants were also grouped as successful – unsuccessful based on their responses to the survey questions and the existence of significant relationships between success status and the demographic characteristics of participants was tested with statistical methods. The following hypotheses were developed to test the relationships between success status (successful – unsuccessful) and the demographic characteristics of participants (α=0.05);

H_1: There is a significant relationship between gender and the financial literacy success status of the individuals,

H_2: There is a significant relationship between occupation and the financial literacy success status of the individuals,

H_3: There is a significant relationship between age and the financial literacy success status of the individuals,

H_4: There is a significant relationship between educational level and the financial literacy success status of the individuals,

H_5: There is a significant relationship between income level and the financial literacy success status of the individuals.

5.2. Universe and Sample

Since the research was conducted in Kayseri province, individuals aged 18+ living in Kayseri constituted the research universe. According to the Turkish Statistics Institute, there are 908,954 individuals over 18 years of age in Kayseri[1]. Since time and budget restricted our reaching the entire universe, a sample was created through statistical methods to qualitatively and quantitatively represent the research universe.

The following equation was used to determine the size of the sample created through the simple randomized sampling method:

$$n = \frac{N \times z_{\alpha/2}^2 \times \hat{p} \times \hat{q}}{((N-1) \times d^2) + (z_{\alpha/2}^2 \times \hat{p} \times \hat{q})} \qquad (1)$$

Where

N: Universe size,

α: Significance level,

$z_{\alpha/2}$: z value for desired probability level,

p: Sample ratio,

q: 1-q value,

d: Deviation between sample value to be estimated and calculated sample value.

"The simple randomized sampling method" used to create the present sample has a representative power for universe characteristics and every single individual of the universe has an equal chance of eligibility (Wimmer and Dominick, 2000: 85-87).

5.3. Data Gathering and Analysis Methods

The questions used in Cihangir and Ergin (2015), in Atkinson and Messy (2012) ,which they performed under the OECD, and the headings used in the questionnaire developed by the INFE (2011) founded within the body of the OECD to measure the financial literacy levels of individuals with different backgrounds were employed in this study. The core questionnaire, which was developed by the OECD, included various uncomplicated

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[1] http://rapory.tuik.gov.tr/07-02-2017-17:20:18-16363583741181550488112759251.html (08.05.2016)

financial issues at different difficulty levels not requiring expert knowledge. In this questionnaire, which was developed to identify the financial literacy levels of the participants, the OECD asked questions under 8 headings: simple division, time value of money, paid interest, simple interest, compound interest, risk and return, inflation and diversification. These questions were adapted in accordance with the headings and a scale was created. The questionnaire forms were composed of two sections. The first section had questions about the demographic characteristics of the participants and the second section had questions about financial concepts and financial literacy.

The questionnaires were applied to participants through face-to-face meetings and data were gathered to reach the objectives of the study.

Invalid questionnaires were excluded and statistical analyses were performed on 400 valid questionnaires. Participant responses to survey questions were expressed in frequencies and percentiles.

Ergün, Şahin and Ergin (2014) conducted a survey on university students about financial literacy and they applied a chi-square test of independence in order to determine if there was a relationship between financial literacy levels and demographic characteristics. Similarly, Bayram and Temizel (2011) applied the chi-square test to determine whether the financial literacy data obtained from university students in their studies were related to demographic characteristics. Parallel to these studies in the literature, Pearson chi-square analysis was used to relate participants' responses with their demographic characteristics.

6. RESULTS

This section includes statistical data obtained from the responses of participants to questions about their demographic characteristics in the first section of the questionnaire and to the questions asked to measure their basic financial literacy levels in the second section of the questionnaire. The chi-square analysis method was used to search for significant relationships between financial literacy levels and the demographic characteristics of participants and the test results are presented in Table 5.

Questions were asked about the demographic characteristics of the participants (gender, occupation, age, educational and income levels) in the first section of the questionnaire and the resultant data are presented in Table 1.

Table 1. Demographic Characteristics of the Participants

Gender	Frequency	%	Age Group	Frequency	%
Female	200	50	18-24	62	15.5
Male	200	50	25-34	94	23.5
Total	**400**	**100**	35-44	119	29.75
Occupation	**Frequency**	**%**	45-54	70	17.5
Unemployed	32	8	55-64	31	7.75
Private Sector (Blue-Collar)	61	15.25	>65	24	6
Private Sector (White-Collar)	24	6	**Total**	**400**	**100**
Public Sector (Blue-Collar)	12	3	**Educational Level**	**Frequency**	**%**
Public Sector (White-Collar)	35	8.75	Primary School	54	13.5
Self-Employed	90	22.5	Secondary School	70	17.5
Retired	38	9.5	High School	153	38.25
Housewife	60	15	University	113	28.25
Student	48	12	Graduate	10	2.5
Total	**400**	**100**	**Total**	**400**	**100**
			Income Level (₺/month)	**Frequency**	**%**
			<1,000	130	32.5
			1,001-2,000	109	27.25
			2,001-3,000	32	8
			3,001-4,000	22	5.5
			>4,001	107	26.75
			Total	**400**	**100**

As can be seen from Table 1, a total of 400 individuals were included in this research (200 females and 200 males) to create our research sample.

The occupations of participants were separated into 8 different occupational groups. With regard to the occupation of participants, the self-employed group was prominent (22.5%) and it was followed by blue-collar private sector employees (15.25%). The ratio of unemployed participants was about 8%.

With regard to the age groups of participants, the 35-44 years age group was prominent (29.75%) and it was followed by the 25-34 years age group (23.5%). The age group with the least participants was the >65 years age group (6%).

Considering the educational levels of participants, it was observed that the majority of participants were high-school graduates (38.25%) and this was followed by university graduates (28.25%). The ratio of graduate level education was quite low (2.5%).

With regard to the monthly income levels of the participants, the prominent group (32.5%) had a monthly income of less than 1,000 ₺ because it was made up of unemployed individuals, students and housewives. This group was followed by the 2,001 – 3,000 ₺ (27.25%) income group. The group with the lowest number of individuals was the 3,001 ₺ - 4,000 ₺ (5.5%) income group.

In the second section of the questionnaire, participants were asked questions to measure their financial literacy levels. Resultant data are presented in Table 2.

Table 2. Data about financial literacy levels of participants

Questions	Correct Answer		Wrong Answer	
	Frequency	%	Frequency	%
Simple Division	228	57.0	172	43.0
Time Value of Money	273	68.3	127	31.7
Paid Interest	326	81.5	74	18.5
Simple Interest	182	45.5	218	54.5
Compound Interest	134	33.5	266	66.5
Risk and Return	171	42.8	229	57.2
Inflation	243	60.8	157	39.2
Diversification	76	19.0	324	81.0

The data in Table 2 revealed that the financial literacy levels of participants on paid interest, time value of money and inflation were high, but the literacy levels on compound interest and diversification were quite low.

The financial literacy levels of participants were grouped based on their responses to questions about financial literacy. In this sense, the financial literacy level of individuals with correct responses to 3 or less questions was classified as low; those with 4 or 5 correct answers were classified as having a medium level and those with 6 or more correct answers were classified as having a high level. The data on the financial literacy groups of the participants are presented in Table 3.

Table 3. Financial Literacy Groups

Financial Literacy Levels	Frequency	%
Low	154	38.5
Medium	144	36.0
High	102	25.5
Total	**400**	**100**

As can be seen from Table 3, the majority of participants had either low or medium financial literacy levels. Those with a high financial literacy level constituted about one-fourth of all participants (25.5%). The ratio was reported as 43% in a nation-wide study carried out by the TEB (2013). The data of the present study revealed that individuals living in Kayseri had relatively low financial literacy levels.

Financial literacy success groups were created based on the number of correct answers to questions about financial literacy. In this sense, individuals with 4 or less correct answers were classified as unsuccessful and those with 5 and more correct answers were classified as successful. The financial literacy success status of participants is shown in Table 4.

Table 4. Financial Literacy Success Status

Financial Literacy Success Status	Frequency	%
Unsuccessful	222	55.5
Successful	178	44.5
Total	**400**	**100**

As can be seen in Table 4, the number of participants with correct answers to more than half of the questions about financial literacy in the second part of the questionnaire was less than half of all participants. The existence of a relationship between financial literacy success status and the demographic characteristics of participants was analyzed with the "Chi-Square Independence" test.

In this test, hypotheses for each demographic characteristic were developed as follows:

H_0: Financial literacy success status is independent from participants' demographic characteristics,

H_1: Financial literacy success status is dependent on participants' demographic characteristics.

Following the creation of these hypotheses, the χ^2 statistic of the Chi-Square Independence Test was calculated with the following equation:

$$\chi^2 = \sum \frac{(g_{ij} - b_{ij})^2}{b_{ij}} \tag{2}$$

Where;

g_{ij}: Observation value on ith row and jth column

b_{ij}: Expected value on ith row and jth column

Expected value is calculated by using the following equation:

$$b_{ij} = \frac{r_i x c_j}{T} \tag{3}$$

Where

r_i: Sum of ith row,

c_j: Sum of jth row,

T: General sum.

SPSS 22.0 was used for Chi-Square analysis. Analysis results are presented in Table 5.

Table 5. Results of Chi-Square Analysis for Financial Literacy Success Status and

Demographic Characteristics

Demographic Characteristics	Unsuccessful		Successful		χ^2	p	Degree of Relationship	
	Frequency	%	Frequency	%			φc	p
Gender								
Female	124	62	76	38	6.843	0.009	0.131	0.009
Male	98	49	102	51				
Occupation								
Unemployed	21	65.62	11	34.38				
Private Sector / Blue-collar	41	67.21	20	32.79				
Private Sector / White-collar	8	33.33	16	66.67				
Public Sector / Blue-collar	7	58.33	5	41.67	11.251	0.047	0.375	0.000
Public Sector / White-collar	8	22.86	27	77.14				
Self-Employed	44	48.89	46	51.11				
Retired	20	52.63	18	47.37				
Housewife	53	88.33	7	11.67				
Student	20	41.67	28	58.33				
Age Group								
18 – 24	30	48.39	32	51.61				
25 – 34	42	44.68	52	55.32				
35 – 44	71	59.66	48	40.34	56.259	0.000	0.168	0.047
45 – 54	42	60	28	40				
55 – 64	19	61.29	12	38.71				
>65	18	75	6	25				
Educational Level								

Primary School	47	87.04	7	12.96				
Secondary School	55	77.46	16	22.54				
High School	90	59.21	62	40.79	87.285	0.000	0.467	0.000
University	30	26.55	83	73.45				
Graduate	0	0	10	100				
Income Level (₺/month)								
<1,000	90	69.23	40	30.77				
1,001 – 2,000	75	68.81	34	31.19				
2,001 – 3,000	9	28.13	23	71.87	48.811	0.000	0.349	0.000
3,001 – 4,000	4	18.18	18	81.82				
>4,000	44	41.12	63	58.88				

As can be seen from Table 5, the financial literacy success status of participants was positively correlated with gender (p=0.009 <α=0.05), occupation (p=0.047 <α=0.05), age group (p=0.000 < α=0.05), educational level (p=0.000 < α=0.05) and income level (p=0.000 < α=0.05). Therefore, the H1, H2, H3, H4 and H5 hypotheses were accepted for α=0.05. In other words, there is a significant relationship between financial literacy success status and the demographic characteristics of the individuals living in Kayseri province.

7. CONCLUSION

Financial literacy in general is defined as the ability of individuals to comprehend financial concepts in order to take the right decisions in the face of changing economic conditions and to manage their own financial status through financial planning.

In the present study, the financial literacy levels of individuals living in Kayseri province were investigated and potential relationships between financial literacy levels and the demographic characteristics of the participants were tested. The data gathered through questionnaires were then subjected to Chi-Square analysis.

The present findings revealed that the number of correct answers to the questions about simple division, time value of money, paid interest and inflation was higher than the number of wrong answers. On the other hand, the number of correct answers to questions about simple interest, compound interest, risk and return and diversification was less than the number of wrong answers. The ratio of participants with correct answers to 6 or more of these questions was 25.5% and the ratio of participants with correct answers to 4 or more questions was 44.5%. Since the questions were at basic level and covered basic financial issues, it is quite possible to say that such ratios were not high.

Chi-Square analysis revealed significant relationships between financial literacy and the demographic characteristics of the participants. Females were found to be more successful in financial literacy. With regard to occupations, white-collar public and private sector employees were prominent. Considering the age groups, the 25-34 years age group was more successful. With regard to educational levels, as might be expected, individuals with graduate

or university level education were more successful than the others. In general, individuals with upper income levels were more successful than those with lower income levels.

The present findings revealed that the basic financial literacy levels of individuals living in Kayseri province were not high. As is known, low financial literacy levels negatively influence not only the individuals themselves, but also the family, society and country they live in. Therefore, it was concluded that different groups, to be created based on the demographic characteristics of the individuals, should be trained in financial concepts and issues to improve their financial literacy levels.

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