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FINANCIAL LITERACY: LITERATURE REVIEW AND RESEARCH DIRECTIONS

Abstract:

In contemporary world, the ability of knowing and understanding financial concepts and matter are important for individual economic well-being. Policymakers have embraced financial literacy as antidote for global financial crisis and increase bankruptcies. This has resulted in a growing interest among academic and industrial researchers, industrialists and policy makers to explore the link between financial literacy and financial behaviour. This paper provides a critical review of literature on financial literacy, with an emphasis on the link between financial literacy and financial behaviour. A systematic review of the relationship of financial literacy and financial behaviour from 2005-2015 has been conducted. The similarities and discrepancies among studies are evaluated and discussed in length. Future research directions are outlined.

Keywords:

Financial Literacy, Financial Behavior, Systematic Review, Behavioral Finance

JEL Classification: D10, D14, G02