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FINANCIAL LITERACY AND ITS IMPACT ON FINANCIAL POSITION THROUGH FINANCIAL BEHAVIOR-AN ANALYTICAL STUDY OF THE OPINIONS OF A SAMPLE OF EMPLOYEES AT THE UNIVERSITY OF KUFA AND IMAM AL-KADHIM COLLEGE (PEACE BE UPON HIM), NAJAF ASHRAF DEPARTMENTS

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Abstract:
This investigation intended to investigate the way that financial culture affects the participants' financial situation through behavior. Staff and faculty from the Faculty of Administration and Economics, the Imam Kazim College (peace be upon him), the Najaf Ashraf College, and the University of Kufa participated in the investigation. These participants, the subject of the research, were interested in how they manage their daily finances and expenditures. The importance of financial literacy and its significance in financial management should be paramount. As a result, the participants in research must recognize and take full advantage of the value of increasing their financial knowledge in order to more effectively manage their resources and have a more secure future. The difference between people's financial knowledge and their capacity to take advantage of opportunities and make informed decisions in financial matters is increasing. As a result, in today's financial climate, financial literacy continues to be a significant obstacle to individuals' financial behavior and the efficiency of investment. As a result, the researchers attempted to determine if participants' financial literacy, via their actions, affects their own financial stability. The investigation's subjects were employees of TBI Rafidain Bank, a specialized bank that specializes in Iraq's financial sector. Each employee associated with the bank was considered to be an independent entity. A total of 160 questionnaires were sent to the population, of which 156 were returned. The methodology of research was based on SPSS 23.0. As a result, financial culture has a significant role in the financial management of the sample and promotes the personal financial situation of individuals through their actions.

Keywords: Financial literacy, financial behavior, financial management, financial position

First: Scientific methodology:

1. Research Question: Iraqis have limited knowledge of finances, attitudes, and behavior, they have a significant educational deficiency regarding the fundamental concepts of financial literacy, and they have an opportunity to alter. The majority of the wealth in the sample is kept in cash, which suggests that Iraq's wealth is not well invested. The increasing importance of understanding financial market activity in the selection of investments has led to an increase in the importance of understanding the latter in the process. The researchers chose this option in order to determine the degree to which financial literacy affects the financial attitudes of Iraqis, and whether or not this affects their actual financial behavior.
2. The investigation describes the significant role of financial literacy in helping individuals to enhance their financial behavior by increasing their financial standing. This increases the educational level and desire to participate in financial literacy initiatives, this leads to a greater focus on managing finances and controlling behavior, both of which are paramount to financial stability.
3. Research Objectives: To achieve financial well-being, this study attempts to understand the degree of financial knowledge among financial investors, the degree to which it affects their attitudes, the way they arrange their personal

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activities and daily lives, and the degree to which they would like to alter their financial behavior in order to improve their living conditions..

4. Research hypothesis: In order to ascertain the link between the two study variables and to illustrate the extent of that relationship, hypotheses were selected. They are separated into the following three theories:

H1: Financial conduct and financial culture are statistically significantly correlated;

H2: The study population's financial position and financial culture are statistically significantly correlated.

H3: Through financial conduct, financial culture influences financial attitude. Since they have to adapt to a constantly changing world, the better informed these people are about financial matters, the more positive their financial views are shown by their behavior.

Second: The theoretical aspect

1. Financial literacy: Neves (2014) describes financial literacy as the capacity to evaluate new financial instruments and make accurate decisions about their potential benefits and alternatives. Financial literacy encompasses all of the knowledge and abilities necessary to comprehend finances and make informed decisions. The Government Accountability Office describes financial literacy as the capacity to make accurate decisions and take effective action regarding the management of funds currently and in the future (Amoah, 2016:23). Vitaitytė (2011:25) describes financial literacy as the combination of actions, attitudes, and knowledge, or the capacity to make accurate financial decisions. Goodwin (2018:8) describes financial literacy as the capacity to utilize knowledge and skills to effectively manage financial resources, this will lead to a long-term financial stability. Hammontree (2022:3) states that making financially informed decisions necessitates a combination of financial awareness, knowledge, abilities, attitudes, and behavior. The ability to recognize, evaluate, manage, and discuss one's financial situation is the sole indicator of financial success (Monkman, 2015:4).

2. The Value of Financial Knowledge The current technological revolution, the fierce rivalry in the job market, and the advancements in both life and finance all need improving one's own credentials and abilities. In terms of the need of financial literacy, a significant portion of Iraqis lack the fundamental financial understanding required to operate our current banking system, comprehend credit, comprehend investment instruments, create a budget, and protect their money. People's chances of leading better lifestyles and better adjusting to the current rapid changes may also be increased by acquiring financial knowledge and skills (Tutah, 2020: 13). To help people deal with the economic crisis and foster confidence between them and banks, basic financial education is crucial (Goodwin, 2018: 14). 3. Monetary conduct Conduct demonstrates a logical mentality and long-term financial planning skills, indicating whether an individual can assess capital market opportunities on their own or instead looks to others for assistance (Vitaitytė, 2021:26).

The individual's financial perspective is primarily derived from their actions. As such, it's essential to operationalize behavior in financial literacy scales, recognizing actions like borrowing and saving to pay expenses, weighing options before purchasing, and paying bills on time and within a budget, and evaluating the degree to which financial behavior is demonstrated (Khawar & Sarwar, 2021:3). Depending on their financial situation, people may buy things impulsively or they may seek out short term, necessary expenditures. Personal behaviors associated with money management are called financial behavior. Rahman et al. (2021:3) define financial behavior as the personal actions pertaining to personal finances. The process of managing finances is called financial behavior management. The person's consumption level, capacity to regulate income and outflow, credit management, and savings and investment behavior are all considered essential to their financial management behavior (Adiputra et al., 2021:33-21). Investors utilize financial behavior to deduce their preferences. Understanding the process, why, and how individuals think about money and investments, as well as their behavior, is the primary goal of investors' financial behavior, including the incorporation of emotional reactions, attitudes, and perceptions into their decision making. The capacity to consistently plan, arrange, evaluate, maintain, and save is referred to as financial management behavior. The financial management system has multiple advantages due to its simple design as a new form of payment and technological advances. financial issues can occur during the investment phase, during which people don't devote their income to long-term expenditures, such as investments (Raaij, 2012:3). Poor personal financial management can lead to significant financial issues, a poor social life, and other social problems caused by financially misguided behavior. It's the personal inability to plan, budget, make decisions, manage finances with care, recognize opportunities, and save on a daily basis (Setiyani and Ameliawati, 2018:813). The behavior of finances is significant because it can have a positive or negative impact on a person's well-being (Scheresberg, 2013:1).4). The value of money: This is the degree to which someone considers money to be significant in a particular context. The concepts and emotions that are intended and employed are called attitudes. Attitudes are evaluations of value, individuals, and situations (Yogasnumurti, 2021:651). The financial attitudes are considered to be indicative of values, perspectives, and mental states (Adiputra & Patricia, 2020: 108). Adiputra et al. (2021:3320) define financial thinking as the application of financial principles to create and maintain value via prudent

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resource management and decision making. (Arifin, 2018:101) states that attitudes have a significant impact on human behavior and can influence financial decision-making, which in turn affects financial well-being. As such, financial attitudes have a significant impact on financial well-being.

The association between financial attitudes, financial behavior, and financial literacy: Because financial behaviors are part of the definition of financial literacy, it is difficult to determine the effect of financial knowledge alone (Neves, 2024). The significance of financial education and knowledge will still be significant. Increases in financial attitudes and behaviors, including risk management, investment, saving, and spending, can be attributed to financial knowledge. The financial health and safety of a person is reliant on their capacity to make informed decisions regarding finances and their understanding of and knowledge of finances (Amoah, 2016:6). Studies have documented a link between behavior and financial comprehension. Those who are financially aware and have a college education typically have more effective financial decisions, which results in a more enriching life (Jessen, 2016: 4). The greater the financial understanding, the more effective and more financially responsible behavior. This questionnaire surveys the differences in financial literacy levels among a population of concern by studying knowledge, behavior, and attitudes towards personal finances. The research of Atkinson and Messi (2011) suggests that the final survey instrument will be beneficial to researchers, policy makers, and developers of financial education initiatives. The objective of the survey is to create a helpful instrument for researchers, policy makers, and developers of financial education initiatives. One study dedicated to research found a significant association between financial behavior and knowledge. Seredo et al. (2013) documented that financial knowledge has a significant impact on financial behavior, internalizing financial information results in appropriate financial behavior. A recent study has demonstrated a link between increased financial awareness and increased financial participation (Yong et al., 2018: 28).

The Third: Practical Side

A study that analyzes the data was conducted at the College of Imam Kadim and the University of Kufa, the purpose of the study was to investigate the parameters of financial culture and how it affects financial well-being through behavior. Questionnaires were given to employees involved in external transactions with the bank that involved financial management or investment decision making for themselves or their finances. A total of 160 questionnaires were gathered, categorized, and analyzed upon receiving. Of the total, 155 were fully evaluated, while the remaining forms were denied because they didn't meet the necessary criteria. Data were evaluated using the statistical software SPSS-23 and AMOS to determine the associations and types of connections between variables. Correlations between the parameters were then determined. The nature, magnitude, consistency, and volatility of the associations between financial well-being, financial culture, and financial behavior were studied, as well as the ways in which financial culture affects financial well-being through behavioral finance. A positive or positive association was discovered. Within the context of financial culture, when the coefficient for financial well-being is greater than 0.238, it's considered significant and is consistently associated; when it is smaller than 0.05 (i.e., less than 0.01), a difference in favor of financial culture is present. The listed t-value is 4.105 less than the calculated t-value. The R^2 coefficient of determination is 0.055, which means that financial status and other factors contribute 0.055 to the cultural variable. Because the F-value (8.751) is greater than the listed value, we accept the hypothesis of a logical association at the level of significance of the F-test (0.000 b). A link exists between the independent and dependent variables, though this is not very strong. Regarding the influence relationship, we observe a direct association between financial culture and financial status (0.273), which is indicative of an influence. The conclusion that there is a link between financial status and financial culture is derived from the average increase in the first variable and its effect on the second.

Table (1) Relationships between statistics.

Financial Literacy	"B"	R""	"R" Square""	"Adjusted" "R" Square""	F""	"Sig."	T""	Sig.""
Financial Attitude	.273	.238 a	.055	.053	8.7 51	.000 b	4.105	.000
N	155							

Source: outputs SPSS23

As is indicated in Table 2, the associations are significant or outstanding. Regarding financial culture, the behavior of finances has a significant association with a coefficient of 0.202, which is consistent with association. At the 0.000 level (less than 0.05), a discrepancy in favor of financial culture is noted. The estimated t-valley is 6.620 greater than the

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formal t-valley. The R² is 0.084, which means that the explanation of the cultural variable is 0.084, or 41%, of the total variance. The variable's description and the significance of the F-test (0.012 b) are mischievous. Since the F-value (6.442) is greater than the expected value, the hypothesis of logical consistency and association is substantiated. A link exists between the middle variable and the dependent variable, though this is not significant. About the influence relationship, a direct relationship (0.238) is observed between financial behavior and financial culture. The average alteration of the first variable and its effect on the third variable concur with the theory that financial culture and behavior are connected.

Table (2) Relationships between statistics.

Financial Literacy	B""	R""	"R" "Square"	"Adjusted" "R" "Square"	F""	"Sig."	T""	"Sig."
"Financial Behavior"	.238	.202 a	.041	.034	6,442	.012 b	6,620	.000
N	155							

Source: Prepared by researchers according to SPSS program outputs

As is demonstrated in Table 3, we observed a beneficial or peculiar association. When the financial status is better (0.358), this is associated with a consistent relationship with a significant coefficient; when the financial status is worse (0.000), this is associated with a difference in favor of the financial culture in currency exchange. The estimated ticket value is 6.115 times greater than the listed ticket value. The R² coefficient of determination is 0.089, which means that 0.089 of the variance in financial behavior is caused by financial status and other variables. Since the F-value (14.761) is greater than the expected value, we have a logical association at the p<0.000 b level of significance for the F-test. A positive relationship is observed between the mediating variable and the dependent variable. A bond that is influential has a financial impact that is direct on (0.358) of financial standing. The average alteration of the first variable is employed to calculate the effect of the third variable on financial behavior. A link is made between financial behavior and financial standing.

Table (3) Relationships between statistics

Financial Behavior	B	R	R Square	Adjusted R Square	F	Sig.	t	Sig.
Financial Attitude	.358	.298ª	.089	.083	14.761	.000ᵇ	6.115	.000
N	155							

Source: Prepared by researchers according to SPSS program outputs

The Table (4) shows that there is a positive association between these two variables. At the lower end of (0.001) and (0.000), or below (0.05), a significant difference (0.455 a) exists between the financial culture of a company and its actual financial status and behavior, or there is a significant association. The estimated t values are greater than the table values (3.509 and 4.75). The determination coefficient is (0.207), which means that the cultural variable can be explained by (20.7) of financial status, behavior and other variables. This implies the two variables and the importance of the F test (0.000 b). Since the F value (19.716) is greater than the table value, it's expected that there will be a direct relationship between the two. Through the mediating variable, the relationship between the independent and dependent variables is significant. Regarding the influence of the relationship, we found that there was a significant association between financial culture and financial status (0.273) as well as financial behavior (0.358). Third, the link between financial behavior and financial philosophy is discussed. This is advantageous for observing the changes to the first variable and their impact on the second variable..

Table (4) Relationships between statistics.

Financial Literacy	B	R	R Square	Adjusted R Square	F	Sig.	t	Sig.
Financial Attitude	.273	.455 ª	.207	.197	19,716	.000 ᵇ	3,509	.001

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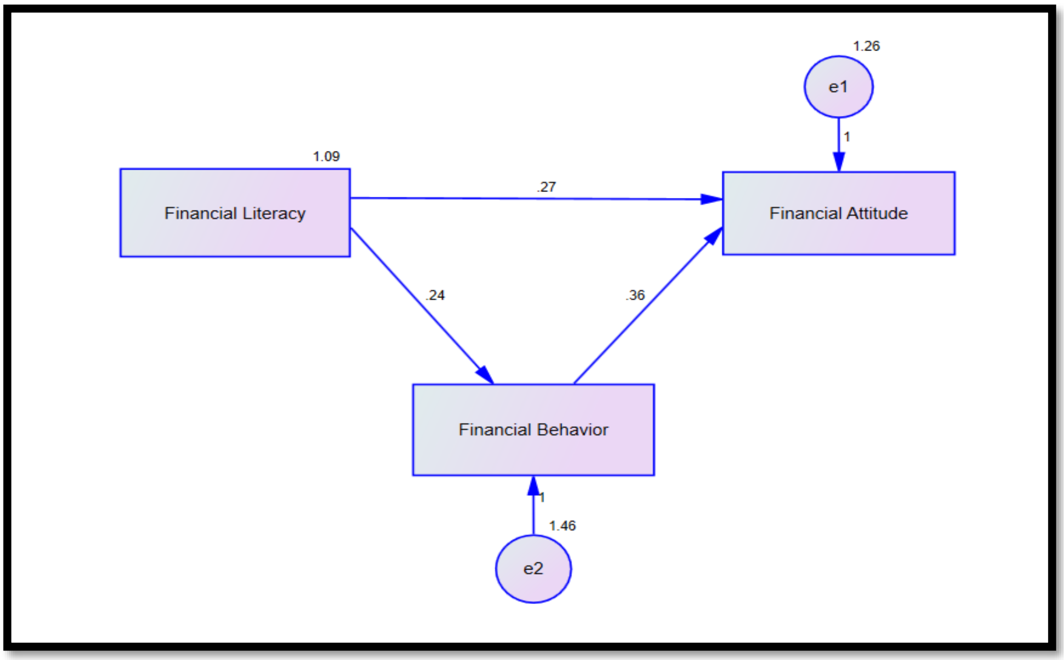
Financial Behavior	.358						4.751	.000
N	155							

Source: Prepared by researchers according to SPSS program outputs

The function of financial culture and the extent to which it is tied to the financial situation either directly or indirectly via financial behavior are indicated in figure (1). We find that financial culture and financial status have a substantial direct link (0.27), financial culture and financial conduct have a high and positive correlation (0.24), and financial behavior and financial position have a strong correlation (0.36). Consequently, we find that the financial culture of persons who engage with banks has a higher effect on the financial status. Instead of concentrating on their immediate repercussions, this illustrates how to manage money and dispose of it properly. At this point, and according to the form, we observe that the growth of financial culture is accountable for the stability or balance of the financial state. via the responsible financial behavior or operations of the research group.



Source: Prepared by researchers according to the statistical analysis program

DISCUSSION:

One of the most important components of money management is a basic education. This research suggests that individuals with beneficial financial habits are typically more comfortable and have a more positive financial situation. The soundness of financial decisions and the correct behavior of finances can enhance the financial comfort of individuals. When individuals have control over the financial burdens they bear and have basic financial knowledge, they are more inclined to conduct themselves appropriately. This investigation has produced a few enlightening details and findings. The financial status of low-income individuals is important to their financial health, and they must participate in financial behaviors that are reciprocal. With the fundamental understanding of income, spending, savings and investment, individuals can have financial stability. Governments must take measures to ensure that individuals with low income have the necessary income to live on, despite the fact that they often struggle to satisfy basic needs. Additionally, supportive economic policies are necessary to help banks manage their finances and increase their financial well-being by developing rules regarding banking services. Other critical factors to consider are the financial education of children and the enhancement of their financial management abilities. It's a pursuit that inspires people. Despite the intended goal being more informed individuals, the influence of financial education was less significant than other aspects, such as financial behavior and attitudes. Individuals that have never had business experience may lack the necessary financial education to utilize online banking, manage their finances with limited knowledge of finances, and make basic, daily decisions about finances. With this guidance, they may be able to make more informed financial decisions and have a greater understanding of the typical financial decisions people make.

Future research may address some of the concerns of this study, such as investigating the factors that contribute to the financial culture and the external behavioral characteristics of impoverished populations. Secondly, we will

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Vol. 51, October 2025
ISSN: 2749-3628

investigate the low income individuals in the study area of Najaf Governorate, Iraq, to determine the percentage who don't directly interact with banks and explore the reasons for this. Third, we will conduct additional research and training initiatives within the study community that will augment their financial knowledge and learn how to alter their culture and its effect on finances through behavioral alteration, financial support, and ultimately improving their quality of life. We underline that the secret to financial prosperity and increased probability of attaining it is in managing personal financial stress and participating in financially responsible behavior.

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