LEARNING FINANCIAL LITERACY AMONGST ADULT MAURITIANS

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SUPERVISOR'S PERMISSION TO SUBMIT

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Declaration of Editing of PhD thesis:

ASSESSING THE IMPORTANCE OF FINANCIAL LITERACY FOR ADULT MAURITIANS

I hereby declare that I carried out language editing of the body copy of the above thesis on behalf of Amit Kumar Ramjeet.

I am a professional writer and editor with many years of experience (e.g. 5 years on *SA Medical Journal*, 10 years heading the corporate communication division at the SA Medical Research Council), who specialises in Science and Technology editing – but am adept at editing in many different subject areas. I have previously edited much work for various faculties at UKZN, including the School of Education. I am a full member of the South African Freelancers' Association as well as of the Professional Editors' Association.

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DECLARATION

I, **AMIT KUMAR RAMJEET (218081486)**, declare that:

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ABSTRACT

Many countries, including Mauritius, have placed financial literacy high on their agenda, with stakeholders including banking and non-banking regulators, government policymakers and the financial industry considering it to be in their best interests to increase financial literacy and consumer awareness. This study assesses the perceptions and understanding of adult Mauritians regarding financial literacy. The research questions concern the state of financial literacy among the adult population, the means through which Mauritians become financially literate, how these learning experiences influence financial decision-making, and why acquisition of financial literacy happens in this way in Mauritius.

The study was conducted with groups from varied geographical and socio-economic backgrounds, and tries to address the causal link between being financially literate and using this knowledge for financial decision-making. The findings will contribute to improving perceptions of financial literacy and its use in financial decision-making. Another aim is to identify the best tools, techniques and strategies that can be adopted to help the adult Mauritian population to become financially literate. Most financial literacy programmess are developed with little or no attention to adult learning theory, inclusive learning environments, or culturally responsive teaching. Rather they have been grounded more in financial risk investment models, life cycle consumption theories, or behavioural modification models adapted from a health behaviour model or a combination thereof.

In this study both quantitative and qualitative research techniques are used to study the complexities of financial literacy, and substantial evidence has been amassed through this mixed-method approach. Questionnaires and semi-structured interviews were utilised in this concurrent mixed-method design. Findings from this study demonstrate the importance of financial knowledge for effective decision-making, while also indicating the usefulness of financial literacy for a good understanding of individual financial choices. This study also highlights the lack of institutional financial literacy initiatives, and its recommendations may be used to inform policymakers and practitioners on the best tools, techniques, and strategies for providing financial literacy to the population.

KEY WORDS: Financial literacy; Financial decision-making; Financial knowledge

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ANOVA	Analysis of variance
BOM	Bank of Mauritius
FINRA	Financial Industry Regulatory Authority
FSC	Financial Services Commission Mauritius
GBP	Great British Pound
INFE	International network for financial literacy
KYC	Know your customer
OECD	Organisation for Economic Cooperation and Development
SPSS	Statistical Package for Social Science
UKZN	University of KwaZulu-Natal
USA	United States of America

CHAPTER 1: INTRODUCTION

1.1 BACKGROUND

In today's dynamic and complex financial landscape, the importance of managing personal finances cannot be understated. There is a necessity for individuals to plan for their investments on a long-term basis in order to sustain themselves during retirement. They also need to decide how to save in the short-term and borrowing for, among other things, leisure, education, emergencies, or vehicle finance. A few decades ago, it may have been sufficient just to know how to manage a savings or current account at a bank or savings institutions; however, in modern society such knowledge is perceived as basic and insufficient to cater for changes happening daily. The OECD – Organisation for Economic Cooperation and development has defined financial literacy as a mixture of skill, awareness, knowledge, behaviour, and attitude that are required to take financial decisions and achieve financial wellbeing. (INFE 2011)

While there is now an array of complex financial instruments – individuals may not be properly empowered to take good financial decisions (Hussain, Rigoni & Orij, 2018). Studies have shown those with inadequate knowledge of personal finances, who have not received a sound education in personal finance, fail to make correct financial decisions (Hussain, Rigoni & Orij, 2018). The result has been more interest in Financial Literacy, acquired through education, defined as a Global Crusade by *The Economist* to teach the masses about personal finance in order to increase financial literacy (Padoan, 2008). Financial literacy and its acquisition have become more urgent since people need to become more independent, as governments – especially those in developing countries – shirk their responsibility in terms of social welfare (Goyal & Kumar, 2021).

Atkinson & Messy (2013) believe that a positive corelation exists between an increase in financial knowledge of adults and their sound financial behaviours and decisions, and ultimately their welfare overall.

Hussain, Rigoni and Orij (2018) contend that another definition of financial literacy is the ability of individuals to employ basic financial knowledge and other skill sets and education to make progress toward specific life objectives. Chu et al's (2017) definition of financial literacy is the ability for using financial knowledge to reduce the potential of making poor choices. Financial literacy is undoubtedly beneficial for the general population, since it aids individuals to better manage their funds while ensuring that a sufficient amount is channelled to support their daily life. A financially literate person is likely to have a deep understanding of concepts like ‘debt’, ‘credit’, ‘budget’ and ‘insurance’ (Goyal & Kumar, 2020). Remund (2010) describes financial literacy as more than measuring knowledge – it involves also being competent in the management of one’s personal finances.

Consumers of all ages and income levels can benefit from financial literacy. For young adults who have started working, it is a means of acquiring basic tools for saving and budgeting, enabling them to keep expenses and debt under control. Financial literacy promotes sound personal financial management, which will assist an individual during times of financial difficulty. Financial literacy contributes to predicting financial behaviour (Kim, Anderson & Seay, 2019). It can strengthen an individual's financial behaviour (Zulaihati, Susanti & Widyastuti, 2020), thus improving their financial wellbeing.

In Mauritius, several organisations have shown commitment and interest to improve consumers' financial literacy. As an example, the Financial Services Commission (FSC, 2018) of Mauritius has embarked on a series of initiatives, such as a consumer outreach programme on financial literacy, and hosted competitions aimed at making the youth and the population in general financially literate.

According to the OECD (2005), if individuals who may be defined as being of the poorest category are given the “proper financial information and instruction”, this will empower them to make their financial situation better. The OECD (2014, p. 33) holds that, “literacy involves more than the reproduction of accumulated knowledge […]. It also involves a mobilisation of cognitive and practical skills, and other resources, such as attitudes, motivation and values”.

Globally, governments have shown concern about low financial literacy levels (Kim, Anderson & Seay, 2019). Low savings levels, inadequate retirement planning and falling prey to scams and fraudulent schemes, have been attributed generally to a little knowledge on issues pertaining to finance. Studies have shown that people who do not save enough also neglect to take advantage of advantageous investment opportunities and are often in debt (Poterba, Venti & & Wise, 2007; Mitchell, 2011).

Xu and Zia (2012) argued that in Pakistan and sub-Saharan Africa, access to finance and financial literacy remain limited, and negatively impact financial status.

This research study examined the financial knowledge level of Mauritian adults. The financial services sector in Mauritius has witnessed constant evolution over the last few years, with more and more innovative products being offered financial services clients. Banks and non-banking financial institutions have diversified their products, resulting in an added level of complexity to what is now being offered in the market (Kim, Anderson & Seay, 2019).

Along with this surge in investment through legitimate financial institutions, there have been a number of reported cases of people investing in unregulated schemes on the Ponzi type. For instance, in the year 2013 some 1,300 persons were defrauded for an amount of 572 million Mauritian rupees, around 12 Million GBP as reported in the Mauritian parliament by the then Minister of Finance Hon. Xavier Luc Duval (National Assembly Hansard – 2013).

Among the products that are highly sought in the Mauritian market are mortgage loans, credit cards, savings accounts, bonds and other securities. Credit cards are now easily and readily available, and banks are also offering easier access to loans and various types of credit with flexible payment options. This has caused a rise in consumption and spending, and an increase in household and personal debt (Davies, 2009).

With regard to financial inclusion and according to the Finscope consumer survey report (2014) for Mauritius, in 2013 90% of adults were financially included. There are still some barriers, to complete financial inclusion in Mauritius, including lack of income, usage barriers and attitudinal barriers. The report also recommends that financial literacy/education programmes should be encouraged and soliciting support from government and the private sector to implement this strategy is crucial. This study effectively addresses the causal link that exists between getting financially educated and using this knowledge for financial decision-making.

Marimuthu, Mathan and Velusamy (2015) defined financial inclusion or inclusive financing as the delivery of financial services to sections of disadvantaged and low-income segments of society at affordable costs, in contrast to financial exclusion where those services are not available or affordable.

This study will provide a deeper insight into understanding Mauritian society in relation to financial literacy and contribute to improving understanding of how financial literacy is perceived and used for decision-making. The study also proposes to investigate financial inclusion in Mauritius. There is a dearth of understanding of how financial literacy and financial inclusion come to occur. Given the precariousness of the financial landscape and the risk that adult Mauritians are exposed to, assessing adult financial literacy and the way this type of learning happens has become imperative for the disciplinary field of adult financial literacy, a germane focus that this study aims to address. The distinct gap in the field of adult financial literacy knowledge is addressed through a pragmatic approach that employs both quantitative and qualitative research methods.

This study will provide deeper insight into financial literacy in Mauritian society, and contribute to improved understanding of how financial literacy is perceived and used for decision-making and financial inclusion.

This study aim firstly, to establish the financial literacy status among adult Mauritians; secondly, to explore how adult Mauritians learn financial literacy; and thirdly, to establish the role played by relevant organisations, including financial regulators (namely the Financial Services Commission (FSC) and the Bank of Mauritius (BOM)) in promoting financial literacy. The current status in relation to adults' financial literacy in Mauritius is assessed with a view to developing a macro perspective on national levels of financial literacy, while financial literacy learning is explored with a view to theorising how such literacy arises and the impact it has on financial decision-making.

With more and more complex financial structures and financial services provided, various challenges have aroused in the modern era for the common individual. As a matter of fact, he/she needs to understand the different facets of finance and financial services in order to do proper savings, arrange for loans for payment of housing. Internet of things, big data analytics and complex financial offers makes it important for any individual to get acquainted with financial offerings offered in the markets, so that they are able to take advantage of the different financial services offered. The globalisation of the world, bridging the distance among individuals and enabling a global market place to take shape has made it essential for Mauritian citizens to understand the different mode of payments. This would also enable the individual to shop around effectively globally through e-commerce platforms.

1.2 PROBLEM STATEMENT

Money management, savings and investment all contribute to the promotion of economic growth. Savings is the main source of capital in almost every economy; this plays a crucial role in production, investment and employment, as well as in enhancing economic growth (Kim, Anderson & Seay, 2019). All countries want to attain a degree of economic growth which enables citizens to experience a good standard of living and live in comfort. This includes effective money management and subscription to insurance policies by the population (Kim, Anderson & Seay, 2019). Programmes must be implemented by the government for the achievement of economic growth, including policies encouraging saving for proper stimulation of investment and production, and citizens need a better understanding of these key ingredients for financial wellbeing. For promotion of economic growth in Mauritius, the question of the population's level of financial literacy and how they achieve such literacy is critical, and should be comprehensively answered – which will be done through this study.

Enhancing financial literacy in developing countries is essential. A literature search suggests that little research has been carried out on this topic in developing countries, including in Mauritius. The literature reviewed reveals that programmes and studies on personal finance seem to be scarce in Mauritius. As mentioned earlier, only the FSC and the BOM have embarked on financial literacy initiatives. There is a need to assist adult Mauritians to improve their financial literacy in order to develop a positive attitude in respect of money management and to practice sound personal financial management. Financial behaviour is achieved by developing skills and knowledge, providing a basis for informed decisions (Chen & Volpe, 1998).

In today's demanding financial environment, consumers must take complex financial decisions – and making financial mistakes can be costly. Financial hardships may be reduced by a person possessing financial literacy (Joo & Grable, 1998). To be able to help consumers, researchers need to explore their level of financial knowledge. An understanding of the factors contributing to financial knowledge acquisition by adults can enable the design of effective programmes by policymakers, which this research aims to support.

Jappelli and Padula (2013) recognised that financial literacy is a form of human capital that households and individuals may gather through an investment in financial knowledge. The financial crisis of 2007–2009 showed that governments need to educate the population on financial instability and how to deal with it (Atkinson, Luttrell & Rosenblum, (2013). When formalised, financial education can positively change attitudes and behaviour on finance-related practices, such as spending, saving, risk management and investment (Fluellen, 2013). A good knowledge and understanding of finance brings about financial health and confidence and enables good financial decision-making (Norman, 2010).

Financial literacy/education programmes should be encouraged and supported by the government and the private sector. This study addresses the causal link that exists between becoming financially educated and using this knowledge for financial decision-making, leading to an enhanced level of financial inclusion. There are still some barriers which need to be attended to in order to promote financial inclusion in Mauritius, including lack of income, usage barriers and attitudinal barriers according to the Finscope consumer suvey report (2014). This report investigates how the barriers may be removed and how financial inclusion can be accentuated.

1.3 TARGET POPULATION AND SAMPLING CONSIDERATIONS

Participants were selected from among the financially active, adult population of Mauritius, and from both urban and rural backgrounds. Questionnaires were distributed to members of various associations in urban and rural areas, including the following:

(1) The Bright Future Association from the village of Trou D'Eau Douce in the Eastern part of Mauritius (rural), which comprises around 225 members, mainly young working adults.

(2) The Seizieme Mille senior citizens' association (sub-urban) in the Southern part of Mauritius, which comprises around 275 people in the 55+ years age group, that is, people nearing retirement age and financially active retirees deriving an income through a pension or other means. Mauritius has a universal pension policy for all citizens above the age of 60 years.

(3) The FSC staff union, situated in Ebene (urban) in the central part of Mauritius, a registered trade union comprising 250 employees of all cadres (lay services, administrative, technical and managerial). Members are domiciled around the island of Mauritius, in both urban and rural areas.

(4) Sri Caitanya Saraswat Math, a socio-religious association situated in Long Mountain in the Northern part of Mauritius (rural), which has around 300 members of all age groups.

All of these are registered associations, and all relevant details were made available to them in letters to the gatekeepers. Data gathering was conducted at the private premises of these associations, in 2020. Two hundred participants were surveyed for this study, using a purposive sampling technique. Findings from this study will be instrumental in fuelling the debate around how useful financial literacy is for the financial wellbeing of the citizens of Mauritius, and the impact it has on economic growth.

The study might be a useful tool to inform policymakers and practitioners on the best tools, techniques and strategies for promoting financial literacy among middle-income people. It might also help to identify various avenues for encouraging a financial literacy culture among this segment and to promote financial inclusion and efficient decision making through a good understanding of their financial choices.

A standardised method for measuring financial knowledge is still being researched (Huston, 2010). Researchers like Lusardi and Mitchell (2010, 2012) have made use of educational components like compound interest, numeracy, inflation, interest rates, bonds and stocks as variables in financial literacy measurement. Valentine and Khayum (2005) are of the view that high financial literacy is determined by income and aspirations for asset accumulation, including some measure of earned income, and this applies to the population under study. The effectiveness of initiatives conducted by local authorities to promote financial literacy will therefore be assessed, as well as what needs to be done to address any gaps that might exist.

1.4 AIM OF THE STUDY

This study aims at establishing the level to which adult Mauritians possess financial literacy and the use they make of it for their financial decisions. The financial literacy level of adult Mauritians is examined in terms of financial knowledge, money management and use of financial products, with a view to understanding how financial literacy contributes towards making judicious financial decisions.

1.5 OBJECTIVES OF THE STUDY

The following objectives have been identified for the study:

- To determine the financial knowledge of adult Mauritian individuals and their ability to communicate on key financial concepts.
- To generate insights into aptitude for managing personal finances and making certain financial choices.

- To determine whether adult Mauritians are able to take correct financial decisions and adequately plan their future needs.
- To examine the extent to which local authorities contribute to enhancing general financial literacy of the citizens through appropriate programmes.

1.6 RESEARCH QUESTIONS

In view of the above, following are the pertinent research questions:

1. What is the state of financial literacy among the adult population of Mauritius?

2. How do Mauritians become financially literate?

3. How do such learning experiences influence financial decision making?

4. Why does acquisition of financial literacy occur in this particular way in Mauritius?

1.7 SIGNIFICANCE OF THE STUDY

Personal finance decisions have a direct impact on quality of life. In the face of developments such as the number of financial service providers and the complexity of financial products, it is important that individuals have knowledge that allows them to understand the financial world. It is important to empower consumers, and hence the importance of determining their level of financial knowledge for appropriate initiatives to be run to help close any gaps in financial knowledge.

The intended outcome of the research is that it will provide some evidence as to the level of adult Mauritians' knowledge in respect of personal finance to develop guidelines for the implementation of meaningful financial literacy programmes, and thereby improve quality of life. This represents a detailed study on the financial literacy of adult Mauritians to be carried out. The results may provide baseline data for the assessment of further progress. This research could also provide useful information for development of programmes on personal finance. The recommendations of the study may also improve adult Mauritians' capabilities in terms personal finance, which can ultimately have an impact on the economy as a whole.

The results could assist policymakers in the realm of financial wellbeing. Devising financial literacy programmes for specific target groups can bring about maximum effectiveness. The factors influencing financial knowledge accumulation resulting from this study can enable policymakers in helping consumers navigate in a dynamic and evolving market. This research can have a positive impact on savings and access to finance.

1.8 RESEARCH APPROACH

Financial literacy relates to how people are able to address challenges from a financial perspective, and key insights are provided by the adult education theory. Learning theories are categorised into humanist, behaviourist cognitivist, social cognitive, and constructivist arguing that much of adult learning is constructivist. Breitstein and Dini (2011) argued that social context strongly influences the subjective perception of money in the individual and collectively as well. For the study of informal learning, a constructivist approach can be useful, in this case, acquiring financial literacy.

Loerwald and Stemmann (2016) considered that competent decision is central to economic education and in particular to financial education. Baumann and Hall (2012) argued that financial literacy must be rooted in the needs of the individual, instead of focusing on consumption. For this reason, the social constructivist approach will be explored for this study.

Pragmatism is a philosophy that emphasises learning through action and building knowledge based on experiences and reflection (Bartle & Shields, 2008). It is an approach that can applied to financial matters, according to Bartle and Shields (2008). These authors state that, as in the case of social constructivism, pragmatism emphasises learning through doing and making, including in financial management and decision making.

According to Bartle and Shields (2008), the pragmatic philosophy of managing finances is designed to serve mostly practitioners in the field and should have empirical validity. This aspect has not been well researched, and could provide practitioners, especially those working in financial literacy, with insights in setting out strategies and action plans.

Klein (2007) noted that development of financial literacy programmes has been made with very little attention to adult learning theory, culturally responsive teaching or inclusive learning environments.

Taylor, Tisdell and Sprow (2010), considerede that studies on financial literacy programmes have an orientation on content rather than the characteristics of the populations targeted.

Financial literacy educators are considered to be using standard curricula limited attention addressed towards pedagogy that specifically addresses the needs of these groups

An adult learning theoretical orientation has been included in this study through critical and culturally responsive instruments and the lenses of transformative learning that deal with differences in social class and income level, among others (Merriam, 2008). An adult learning theoretical orientation foregrounds issues of tools or even a curriculum that might specifically address the needs of adult learners with a view of bringing sustainable changes.

When it comes to research in the educational field, researcher soften use different methods and designs to address interdisciplinary and complex research problems (Creswell & Clark, 2007). For the purposes of this study a mixed methodology has been adopted, and diverse instruments, such as questionnaires and semi-structured interviews, have been used.

1.9 METHODOLOGY

This study was conducted using a combination of quantitative and qualitative approaches for collection of data and analysis. Various researchers in the social sciences use mixed methods, with quantitative analysis conducted alongside qualitative analysis (Arghode, 2012). According to him, choice if method is relevant to the investigation nature and objective of the analyst. The use of a mixed-method approach in this study, combining both quantitative and qualitative methods, allows for a more comprehensive understanding of the research topic. The quantitative approach was chosen to measure the knowledge levels of a large population not only in an efficient and cost effective manner but also because it has also been done successfully in similar studies (Lusardi, 2005; Hung, Parker & Yoong, 2009). According to Patton (2002), this type of study requires a quantitative approach for measurement of knowledge levels of a large population with limited survey questions and a qualitative approach to delve into the perceptions of the target audience on financial literacy and relevant initiatives.

Quantitative and qualitative approaches were employed for exploring adult Mauritians' acquisition of financial literacy, in relation to money, risk management and investment.

According to Johnson and Onwuegbuzie (2006), the pragmatist approach, as applied in mixed-method research, focuses on practical outcomes and the meaningful interpretation of research findings or focuses on research products (Biesta, 2010) and research questions (Tashakkori & Teddlie, 2003). It is concerned with understanding the real-world implications of research and finding solutions to practical problems. In the context of financial literacy, the pragmatist approach seeks to address the lack of financial knowledge and empower individuals with practical skills and understanding.

Pragmatism recognises the importance of communication and shared meaning-making in research. It emphasises the need to understand and address social problems through practical solutions. In the case of financial literacy, this approach aims to bridge the gap between theory and practice by developing interventions and strategies that can be effectively applied to enhance financial literacy.

Pragmatic researchers maintain a balance between subjectivity and objectivity in their reflections and data collection. They acknowledge their own perspectives and biases while employing rigorous data collection and analysis methods to ensure objectivity and validity (Shannon-Baker, 2016)

Overall, the pragmatist approach in mixed-method research allows for a practical and contextually relevant exploration of financial literacy issues. It seeks to generate knowledge that can inform interventions, policies, and practices to improve financial literacy outcomes and address the needs of individuals and communities.

1.10 VALIDITY, RELIABILITY AND RIGOUR

To ensure the validity and reliability of the research, both validity and reliability testing were performed. Assessment of reliability of research is important to generate confidence in the main findings derived from the analysis. It is also essential to ascertain the validity of the research, such as the design of the questionnaire and its ability to generate the data required to analyse the objectives of the study (Foxcroft & Roodt, 2001).

As an- officer responsible for financial literacy at the regulator for the non-banking financial services sector in Mauritius, the FSC, my insights are expected to enable assessment of the face validity of the responses. I have devised and run initiatives to educate the population financially, and have first-hand access to audiences for data gathering. There are provisions in the Financial Services Act 2007 which mandate the FSC Mauritius to protect consumers of financial services, while promoting understanding of the financial system including benefits/risks associated with investment. Provisions also exist in the legislation to develop and promote programmes to inform/educate consumers of financial services and products.

Such initiatives have been devised from a purely institutional and practical perspective, with limited research on theories of financial literacy and other researchers' work. Being an insider enables in-depth knowledge of the context and allows the researcher to understand what participants have to say in a way that no outsider could (Ramklass, 2006). However, there might still be some element of bias and emotional reaction to data when the researcher is an insider, and it is assumed among researchers that skewedness or bias is undesirable in research. Preconceptions are not the same as bias, unless the researcher fails to mention them according to Malterud (2001). As a researcher, it is important for me to conscious of this positionality and biases in order to achieve reflexivity.

This study focused on gathering data from respondents with a non-specialised background, which might have resulted in an absence of real-life validation from professionals in the financial sector when it comes to perceptions and use of financial literacy. To address this, a select number of finance professionals were interviewed in order to gain some professional insights into how people acquire and use financial literacy in given contexts. This provided a more holistic view of the comprehension and use of financial literacy.

The constructivist theory also assumes that respondents use past experiences when it comes to decision making. This can be very subjective, as responses might be impulsive and relate only to certain circumstances and contexts. Utmost care was therefore exercised when handling responses. Additional questions were used to refine and validate responses which might otherwise seem to be impulsive, spontaneous and not necessarily immediately reliable. Financial literacy can have elements of complexity, which is why both survey questionnaires and semi-structured interviews were used as research instruments. This approach enabled triangulation, which enabled confirmation of the findings from one method of investigation with those from a second one, inferring reliability of the main findings.

1.11 STRUCTURE OF THE THESIS

Nine chapters make up this study. Chapter 1 gives the introduction and background, the problem statement, objectives, relevance, research questions, and finally, scope and limitations.

Chapter 2 gives a detailed review of the literature relevant to financial literacy with both direct and indirect connections to the phenomenon. Chapter 3 covers the theoretical framework. Chapter 4 describes the methodology, and outlines the techniques applied, the research design, method for data collection method and instruments employed, with specification of the models and how the data is analysed. Findings and results of analysis of the data are detailed and analysed in Chapters 5, 6, 7 and 8. Finally, Chapter 9 presents the summary, recommendations, scope for future research, and the conclusion of the study.

1.11.1 Outline of thesis

- Chapter 1: Introduction and background.
- Chapter 2: Detailed literature review on financial literacy globally and in the context of Mauritius.
- Chapter 3: The theoretical framework for the study.
- Chapter 4: The methodology adopted, including research design, questionnaire design, and methods for collection and analysis of data.
- Chapter 5: Analysis of data obtained from the survey and results.
- Chapter 6: Analysis of data obtained from the semi-structured interviews – Part 1
- Chapter 7: Analysis of data obtained from the semi-structured interviews – Part 2
- Chapter 8: Discussion of the findings.
- Chapter 9: Summary, recommendations and conclusion.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

This chapter takes a wide-angled view of research carried out in the field of financial literacy, especially in recent decades to enable a meaningful response to the research questions. The defining principles of the phenomenon inform this review as well as the conceptual skills relevant to financial literacy. The complexity of the concept of financial literacy is discussed, since there is a lack of a common definition by researchers. A comprehensive list of definitions provided by authors and researchers in specific contexts is also presented.

Next, financial literacy perceptions in the global context are provided, together with Mauritian perspectives. An exploration of the concept of financial inclusion and its link with financial literacy is also performed. Since the study focuses on adult financial literacy, relevant literature on adult learning theory and financial literacy will also be explored, as well as how financial literacy can be adapted to specific adult groups. The efficacy of financial literacy programmes and their effect on financial literacy are probed, and finally there is a discussion of the literature relevant to financial behaviour and how it is relevant to financial decision making.

2.2 COMPLEXITY OF THE CONCEPT OF FINANCIAL LITERACY

Money management has often been considered on a personal and moral level. Prudence and patience concerning money management are a guarantee of financial success according to Lucey and Bates (2012). However, since the 1990s, there has been a debate among researchers in the educational field, who argue for the need for financial literacy to allow individuals to deal with a complex financial environment(Lusardi, 2008; Xu & Zia, 2012). There has also been debate about the incomprehensibility of financial literacy and the fact that teaching tools to enable this comprehension either do not exist or are unreachable for those at a lay level (Remmele, 2016).

According to Hull and Schultz (2002), although ‘literacy’ has often been linked to schooling, when the lens of what is considered as literacy or literate activities is widened, homes, workplaces and communities are also considered as sites for the use of literacy. Literacy, including financial literacy, can be used outside the school environment and in informal settings (Hastings & Mitchell, 2020).

Huston (2010) reviewed relevant literature for a better understanding of measures used in financial literacy research, covering 71 individual studies drawn from 52 data sets. Huston notes that scholars (in the sociology, consumer behaviour and education domains) have been unable to agree on a definition of financial literacy. Huston (2010 p. 305) is of the view that not having a "precise and consistent construct conception limits the ability to conduct comparative analyses or assess financial literacy rates and their subsequent impact on financial wellbeing".

The definition of financial literacy can vary depending on the perspective and the specific dimensions considered. While knowledge is a fundamental component of financial literacy, some researchers argue that it should not be limited to knowledge alone. They emphasise the importance of including attitudes and behaviours that are relevant to financial decision-making and experiences.

Financial attitudes refer to individuals' beliefs, values, and emotional responses towards financial matters. It encompasses their perceptions of the importance of financial management, their confidence in making financial decisions, and their overall approach to financial planning and risk-taking. Financial behaviours encompass the actions that individuals take in managing their finances, such as budgeting, saving, investing, and borrowing.

Including attitudes and behaviours in the definition of financial literacy acknowledges that having knowledge alone may not necessarily translate into effective financial decision-making or positive financial outcomes. One's attitudes and behaviours play a crucial role in applying financial knowledge, making sound financial choices, and achieving financial wellbeing.

By considering attitudes and behaviours, the definition of financial literacy becomes more comprehensive and aligned with the practical aspects of managing personal finances. It recognises that individuals' mindset, values, and actions are integral to their financial success and overall financial health.

However, it is important to note that the precise dimensions and components included in the definition of financial literacy may vary across studies, contexts, and stakeholders. The ongoing discussions and debates in the field contribute to the evolving understanding and refinement of the concept of financial literacy.

Hung, Parker, and Yoong (2009) and Remund (2010) are among those who suggested that financial literacy should include a broader understanding of financial concepts, topics, and practical aspects. They argue that a comprehensive view of financial literacy should incorporate not only knowledge but also the ability to apply that knowledge in financial decision-making and the development of positive financial attitudes and behaviours.

There are differing opinions on whether financial literacy should be exclusively focused on knowledge or if it should include other dimensions such as attitudes and behaviours. This disagreement highlights the ongoing debate and challenges in defining financial literacy in a precise and universally agreed-upon manner.

Considering the multidimensional nature of financial literacy, it is important for researchers and policymakers to carefully consider the dimensions they want to address and to define financial literacy accordingly. This ensures that interventions and programmes can effectively target the various aspects of financial literacy and promote a holistic understanding and application of financial knowledge, attitudes, and behaviours.

2.3 DIFFERENT DEFINITIONS OF FINANCIAL LITERACY

Financial literacy has been defined differently by various theorists. Rhine and Toussaint-Corneau (2002) defined it as the knowledge required for making informed decisions. This generalised definition is adopted for this study that aims to examine financial literacy without being confined to a too explicit definition of the term. For their part, Stone, Wier and Bryant (2008) described financially literate people as those who are able to manage debt and make decisions of a financial nature reflecting their values.

According to Yuesti, Rustiarini and Suryandari (2020), financial literacy is the knowledge required to adopt good financial behaviour. Munoz-Murillo et al (2020) posit that good financial behaviour can prevent financial problems. For Hasan, Le and Hoque, (2021), good financial management and a high level of financial literacy are both important to ensure good financial health.

Bay, Catasus, and Johed (2014) argued that financial literacy should not be limited to the mere ability to read and write in financial language; instead, they propose that financial literacy should be understood and studied within a practical context. They suggest that the characteristics and components of financial literacy can vary depending on the specific time and place.

2.3.1 Components of financial literacy

Financial literacy is not a static concept, but rather a dynamic construct influenced by various factors such as economic conditions, cultural norms, technological advancements, and regulatory frameworks. These factors shape the financial landscape and affect the knowledge, skills, and behaviours necessary for individuals to navigate and make informed financial decisions.

By contextualising financial literacy, researchers and policymakers can gain a deeper understanding of the specific needs, challenges, and opportunities individuals face within their unique environments. This approach recognises that financial literacy is not a one-size-fits-all concept, but rather a concept that should be tailored to address the specific context and requirements of individuals and communities.

For example, in one context, financial literacy might focus on understanding and managing complex investment products and retirement planning, while in another it might emphasise basic budgeting skills and debt management. The traits and components of financial literacy can vary based on the specific financial needs and priorities of individuals within their particular time and place.

By acknowledging the contextual nature of financial literacy, researchers and policymakers can develop more targeted and effective interventions, educational programmes, and policy measures that address the specific financial challenges and promote the development of relevant financial knowledge and skills. This approach recognises that financial literacy is not a static concept, but one that evolves and adapts to the changing financial landscape and individual needs.

Kozup and Hogarth (2008) proposed a pragmatic definition of financial literacy that emphasises the role of thinking skills in making informed financial decisions. According to their definition, financial literacy consists of a set of cognitive abilities that individuals use to evaluate the advantages and disadvantages of different choices based on their personal values, needs, and goals.

In this perspective, financial literacy goes beyond the acquisition of knowledge about financial concepts and products. It emphasises the application of critical thinking skills to assess the potential outcomes and trade-offs associated with financial decisions. It recognises that financial decisions are often complex and involve weighing various factors, such as risk, opportunity cost, and personal preferences.

By considering decision-making skills as a crucial component of financial literacy, this definition highlights the importance of empowering individuals to make informed choices that align with their own values and goals. It suggests that financial literacy involves not only understanding financial concepts but also being able to analyse and evaluate different options and their implications.

Financial decision-making skills encompass the ability to assess financial risks, evaluate financial products and services, budget effectively, plan for the future, and make choices that align with one's long-term financial goals. These skills require critical thinking, problem-solving, and the ability to weigh up the trade-offs and implications of different options.

By emphasising decision-making skills within the context of an individual's values, needs, and goals, this pragmatic definition of financial literacy recognises that financial decisions are deeply personal and should be based on an individual's unique circumstances and aspirations. It underscores the importance of developing not only knowledge but also the skills and abilities necessary to make sound financial choices that are meaningful and relevant to one's own financial wellbeing.

Keonig (2007) defined financial literacy as "understanding about investing and financial planning." According to this definition, financial literacy specifically focuses on knowledge and understanding related to investments and financial planning.

The emphasis is placed on acquiring knowledge about various investment options, such as stocks, bonds, mutual funds, real estate, and other financial instruments. It also includes understanding concepts and strategies related to financial planning, such as setting financial goals, budgeting, saving, and retirement planning.

By defining financial literacy in terms of investing and financial planning, this highlights the importance of being knowledgeable and informed about managing personal finances for long-term financial security and achieving financial goals.

It suggests that individuals need to have a good understanding of how to allocate their resources, make informed investment decisions, and plan for their financial future. This knowledge can help individuals make sound investment choices, develop effective financial plans, and navigate the complexities of the financial market.

However, it is important to note that financial literacy encompasses a broader range of topics beyond just investing and financial planning. Other aspects of financial literacy, such as budgeting, debt management, insurance, taxes, and understanding financial institutions and products, are also essential for overall financial wellbeing.

Remmele (2016) emphasises that when developing financial literacy, it is important to consider the boundedness of rationality and biased decision-making. These factors can limit individuals' ability to make fully rational and objective financial decisions.

The concept of bounded rationality suggests that individuals have cognitive limitations and constraints that prevent them from processing and analysing all available information before making decisions. Instead, individuals rely on simplified mental shortcuts, or heuristics, to make decisions. These heuristics can lead to biases and errors in judgment, influencing financial choices.

Biased decision-making refers to the tendency for individuals to make decisions based on subjective factors, emotions, and cognitive biases rather than purely objective and rational considerations. These biases can include overconfidence, loss aversion, present bias, and the influence of social norms, among others. Such biases can lead to suboptimal financial decisions and impact financial wellbeing.

Teachability, or readability in educational terms, is another aspect highlighted by Remmele. It refers to the degree to which financial literacy concepts can be effectively taught and understood by individuals. Some financial concepts can be complex and technical, making it challenging for individuals to grasp and apply them in real-life situations. The way financial information is presented and communicated can significantly influence individuals' ability to understand and apply financial literacy concepts.

Overall, Remmele suggests that insight into the dimensions of financial literacy, including understanding financial concepts and making informed financial decisions, can be hindered by the boundedness of rationality, biased decision-making, and the teachability of financial literacy concepts. Therefore, it is important to address these considerations when developing financial literacy programmes and materials to enhance individuals' financial knowledge and decision-making abilities.

According to Lusardi and Mitchell (2014), although empirical and theorical work exists on education, little attention has been given to how people acquire and use financial literacy. They define financial literacy as "people's ability to process economic information and make informed decisions about financial planning, wealth accumulation, debt, and pensions".

Hastings, Madrian, and Skimmyhorn (2013) highlighted the positive correlation between financial mistakes, financial literacy, and financial outcomes. This correlation has led policymakers to recognise the importance of financial education as a tool to improve financial literacy.

The idea behind this correlation is that individuals with higher levels of financial literacy are more likely to make informed financial decisions, avoid costly mistakes, and achieve better financial outcomes. Conversely, individuals with low levels of financial literacy may be more prone to making poor financial choices, such as incurring high levels of debt, failing to save for retirement, or falling victim to financial scams.

Recognising the potential impact of financial literacy on individual financial wellbeing, policymakers have sought to promote financial education initiatives. These initiatives aim to provide individuals with the knowledge, skills, and tools necessary to navigate the complexities of personal finance. By increasing financial literacy, policymakers hope to empower individuals to make better financial decisions, manage their finances effectively, and ultimately improve their financial outcomes.

The research conducted by Hastings, Madrian, and Skimmyhorn (2013) supported the notion that financial education can play a vital role in enhancing financial literacy and improving financial outcomes. Policymakers have taken notice of this positive correlation and have incorporated financial education into their strategies to promote financial wellbeing among individuals and households.

Pinto (2013) as well as Hastings and Mitchell (2020) believed that the values and mobilisation power of special-interest coalitions through politics are likely to shape and legitimise financial literacy education, more than evidence-based research will.

Loerwald and Stemmann (2016) highlighted that financial decision-making situations are often complex, and the choices individuals make can have significant material consequences. When it comes to personal finances, making incorrect or ill-informed decisions can lead to adverse financial outcomes.

Financial decisions can involve various factors, such as managing income and expenses, budgeting, saving for goals, investing, borrowing, and planning for retirement. Each of these areas presents its own set of complexities, including understanding financial products, assessing risks, considering long-term implications, and navigating changing economic conditions.

When individuals make incorrect financial decisions, they may experience direct material effects such as financial losses, debt accumulation, missed investment opportunities, or inadequate retirement savings. These effects can have a lasting impact on an individual's financial wellbeing, creating challenges and limitations in achieving their financial goals and maintaining financial stability.

Recognising the complexity of financial decision-making underscores the importance of financial literacy and the need for individuals to acquire the necessary knowledge, skills, and understanding to make informed choices. Improving financial literacy can empower individuals to navigate the intricacies of financial situations, make sound decisions, and mitigate the risk of negative material consequences.

It is through enhancing financial literacy that individuals can develop the ability to assess options, evaluate risks and benefits, and make choices that align with their financial goals and values. By doing so, they can improve their financial wellbeing and reduce the likelihood of experiencing direct material effects resulting from poor financial decision-making.

Baumann and Hall (2012) advocated for a financial literacy approach that goes beyond mere consumption-focused education. They argue that financial literacy should be tailored to the individual's needs and circumstances rather than solely focusing on consumption patterns.

They suggest that a comprehensive understanding of financial literacy should encompass not only knowledge about budgeting, saving, and investing but also consider the broader financial needs and goals of individuals. This approach recognises that each person has unique financial circumstances, goals, and challenges that require personalised attention.

By shifting the focus from generic consumption-related financial literacy to a more individual-centric approach, the aim is to empower individuals to make informed financial decisions that align with their specific needs and aspirations. This could involve addressing topics such as managing debt, planning for retirement, understanding insurance options, or navigating complex financial products and services.

Baumann and Hall (2012) further highlight the importance of recognising the diversity of financial situations and tailoring financial literacy education to address individual needs. By doing so, individuals can develop the skills and knowledge necessary to make sound financial decisions that align with their personal circumstances and long-term goals.

Baumann and Hall (2012) also held that like other forms of education, there is a tendency for financial literacy to decay with time, and that hours long sessions may not have the same effects 20 months later as far as financial behaviour is concerned.

Hung, Parker, and Yoong (2009) examined the impact of economic conditions in the US on financial security, particularly for individuals who lack the necessary resources and skills to navigate market fluctuations. The study highlighted the ongoing debates surrounding the role of financial literacy, the challenges it presents, and how to address these issues effectively. A significant aspect of this ongoing debate revolves around how financial literacy is defined and measured.

The authors pointed out that there is still no consensus on a universally accepted definition of financial literacy. Different researchers and institutions may define financial literacy in various ways, focusing on varying dimensions such as knowledge, skills, attitudes, or behaviours related to personal finance. This lack of a standardised definition can lead to variations in the measurement and assessment of financial literacy across different studies and contexts.

The debate surrounding financial literacy also extends to the question of how to effectively address the issue of a lack thereof. There are differing opinions on the most appropriate strategies and interventions to promote financial literacy, particularly among vulnerable populations. Some argue for more traditional educational approaches, such as classroom-based instruction, while others emphasise the need for innovative and practical approaches that consider the specific needs and circumstances of individuals.

The study by Hung, Parker, and Yoong (2009) highlighted the importance of addressing the complexities surrounding financial literacy, including the ongoing debates on its definition and measurement. It underscores the need for continued research and collaboration to develop comprehensive and effective approaches to promote financial literacy and enhance financial security, particularly for those who are most vulnerable to economic fluctuations.

The results of Hung, Parker and Yoong's (2009) review suggest that less financially literate people are unlikely to adopt certain financial practices such as retirement planning. They also concede that a standard tool to measure financial literacy is lacking.

Fernandes, Lynch, and Netemeyer (2014) conducted a study to examine the relationship between financial education, financial literacy, and financial behaviours. The authors questioned the assumption that policy makers often rely on, which is that providing financial education alone will lead to improved financial decision-making.

The study proposed an alternative approach called "just in time" financial education. This approach suggests that financial education should be targeted and tailored to specific financial behaviours that individuals need to improve. Rather than providing general financial education without considering individuals' specific needs, "just in time" education focuses on delivering relevant and timely information when individuals are facing specific financial decisions or challenges.

The authors argue that by providing context-specific financial education, individuals are more likely to understand and apply the knowledge to their current financial situation. This approach aims to bridge the gap between financial literacy and financial behaviours by providing practical guidance and support at the moment it is most needed.

The study suggests that policy makers and educators should consider the effectiveness of "just in time" financial education in promoting desired financial behaviours. By aligning education with specific financial decisions and behaviours, individuals are more likely to benefit from the knowledge and make informed choices.

Fernandes, Lynch, and Netemeyer (2014) highlight the importance of considering the timing and relevance of financial education interventions to improve financial literacy and behaviours. Their research contributes to the ongoing discussions on how best to design and deliver financial education programmes that have a meaningful impact on individuals' financial wellbeing.

2.3.2 Content areas of financial literacy

The definition of financial literacy varies among researchers and organisations, but there are common elements that emphasise understanding financial concepts, and having skills and confidence in managing personal finances. Remund (2010) provided a concise definition of financial literacy as the measurement of an individual's comprehension of fundamental financial concepts, as well as their capacity and self-assurance in managing their personal finances. This definition highlights two key aspects of financial literacy:

1. Understanding of Key Financial Concepts: Financial literacy involves having knowledge and comprehension of essential financial principles and terms. This includes understanding concepts such as budgeting, saving, investing, debt management, insurance, and other relevant financial topics. A financially literate individual possesses the necessary foundational knowledge to make informed decisions regarding their financial wellbeing.

2. Ability and Confidence in Financial Management: Financial literacy extends beyond knowledge alone and encompasses an individual's capability and confidence to apply their financial knowledge effectively. It involves the practical application of financial skills to manage personal finances, make appropriate financial decisions, set financial goals, and navigate financial challenges. A financially literate person is not only aware of financial concepts but also possesses the confidence and skills to take control of their financial situation.

Remund's definition underscores the multidimensional nature of financial literacy, combining both knowledge and behavioural aspects. It emphasises the importance of not only acquiring financial knowledge but also being able to apply that knowledge in real-life financial situations with confidence and competence.

The OECD’s definition of financial literacy, as described in their 2013 report, provides a comprehensive understanding of the concept. According to the OECD, financial literacy encompasses multiple components:

1. Knowledge and understanding: Financial literacy involves having a solid foundation of knowledge and comprehension of financial concepts, principles, and risks. This includes understanding topics such as budgeting, saving, investing, borrowing, insurance, and financial products.
2. Skills: Financial literacy goes beyond theoretical knowledge and includes the development of practical skills. It involves acquiring the necessary abilities to apply financial knowledge in real-world situations, such as budgeting effectively, comparing financial products, analysing risks, and making informed financial decisions.
3. Motivation: Financial literacy involves having the motivation and interest to engage with financial matters. It includes being proactive in seeking financial information, staying informed about personal financial matters, and actively participating in financial decision-making.
4. Confidence: Financial literacy includes having confidence in one's ability to manage financial resources and navigate financial systems. It involves feeling empowered and capable of making effective financial choices and taking control of one's financial situation.
5. Application in Various Contexts: Financial literacy is not limited to a specific domain but extends to various contexts and life stages. It involves applying financial knowledge and skills in different areas of life, such as personal finance, education, career planning, entrepreneurship, and retirement planning.

The OECD's definition emphasises the importance of a holistic approach to financial literacy, combining knowledge, skills, motivation, and confidence. It recognises that being financially literate goes beyond theoretical understanding and involves practical application in diverse financial contexts.

Von Stumm et al. (2013) contributed to the understanding of financial literacy by highlighting the significance of individual psychological and socio-economic factors in shaping financial experiences and outcomes. They argue that it is crucial to consider individual differences in financial capabilities and attitudes towards money to explain why some individuals have better financial outcomes than others.

The study emphasises that financial literacy is not solely determined by knowledge and skills related to financial concepts and decision-making. Individual factors such as personality traits, cognitive abilities, and socio-economic circumstances also play a substantial role in shaping financial behaviours and outcomes.

By acknowledging the influence of individual differences, the study underscores the need for a more holistic approach to financial literacy that goes beyond the mere acquisition of knowledge. It suggests that financial literacy programmes and interventions should take into account the psychological and socio-economic factors that influence individuals' financial decision-making and behaviours.

Furthermore, the study highlights the importance of considering the financial circumstances that individuals create and operate within. It recognises that external factors such as economic conditions, access to financial resources, and social support systems also impact individuals' financial experiences and outcomes.

The findings of Von Stumm et al. (2013) emphasised that promoting financial literacy requires a comprehensive understanding of the interplay between knowledge, skills, individual factors, and external circumstances. By considering these factors, policymakers, educators, and individuals themselves can develop more effective strategies and interventions to enhance financial wellbeing and facilitate informed financial decision-making.

2.4 A GLOBAL PERSPECTIVE ON FINANCIAL LITERACY

The involvement of various stakeholders in promoting financial literacy, including financial corporations, government organisations, and community interest groups, reflects the growing recognition of the importance of financial knowledge and experience. Policymakers and scholars have increasingly emphasised the value of financial literacy in empowering individuals and improving overall economic wellbeing.

Jappelli (2010) conducted a comparative study across 55 countries to examine the factors influencing economic literacy. Economic literacy was measured using the responses of top experts and managers in each country to the statement "Economic literacy among the population is generally high" on a scale of 1-10, as reported in the Institute of Management Development World Competitiveness Yearbook.

The findings of the study revealed significant variation in economic education and literacy levels among countries surveyed. This suggests that the level of economic literacy differs across nations, indicating that factors such as educational policies, cultural norms, and socioeconomic conditions may influence the extent of economic knowledge and understanding within a population.

Interestingly, the results also indicated that countries with mandated savings systems, where individuals are required to save a portion of their income, did not necessarily exhibit higher levels of economic literacy. This suggests that the presence of mandatory savings programmes alone may not be sufficient to promote economic literacy among the population. Additional efforts, such as targeted financial education initiatives, may be necessary to enhance economic literacy even in countries with mandated savings.

The study highlighted the importance of considering the contextual factors that shape economic literacy and the need for tailored approaches to financial education. By understanding the factors that influence economic literacy, policymakers and organisations can develop more effective strategies to promote financial knowledge and empower individuals to make informed economic decisions.

As per Holzmann (2010), most financial literacy research has been carried out in developed nations. There is a lack of representation from sub-Saharan African countries, including Mauritius, in this body of research. This disparity can have implications for the understanding and application of financial literacy concepts in the developing world.

Financial literacy is not a universally defined and understood concept, and its relevance and effectiveness can vary across different cultural, social, and economic contexts. The factors that influence financial decision-making in developed countries may differ from those in developing nations, where individuals may face unique challenges and constraints in managing their finances. Various ethnic groups still live with traditional methods of buying and purchasing products and services. Often they use bartering system or engage in simple payment systems to perform their purchases. For many of those individuals the services of financial institutions make little sense, and their interest in enhancing their financial literacy remains minimal. Most often the role of enhancing financial literacy will rest on the community's financial system.

The lack of research on financial literacy in developing countries, including sub-Saharan African countries, can limit the understanding of specific issues and needs related to financial decision-making in these populations. The cultural, social, and economic dynamics that shape financial behaviours and challenges in developing nations may not be adequately captured by research conducted in developed countries.

To address this gap, it is important to promote and conduct research on financial literacy in diverse contexts, including developing countries. This research can provide insights into the specific challenges and needs of individuals in these populations and inform the development of tailored financial education and empowerment programmes.

By expanding the scope of financial literacy research to include a broader range of countries and populations, policymakers, researchers, and practitioners can gain a more comprehensive understanding of financial decision-making processes and develop targeted interventions to enhance financial literacy and improve financial outcomes in the developing world.

2.5 FINANCIAL LITERACY IN MAURITIUS

The study digs deep into the perceptions and understanding of financial literacy in Mauritian society and holds significant importance in the current financial landscape of Mauritius. The recent cases of fraud and the downfall of financial institutions have undoubtedly affected the confidence and trust of consumers in the financial sector.

Mauritius is a multi-cultural country where the population comes from diverse ethnic groups. The population stands at 1308222 as at 2022. The mass of the population are from Indian origin while African and Chinese decedents are also present on the island. To cope for its growing population and the need to provide them with all abilities to secure a prosperous future, several measures were initiated by the government to enhance the financial literacy level of the population. Mauritius has developed into a financial hub and is often regarded as the financial gateway to Africa. The government has made various efforts to enhance the financial sector of the country and encouraged the people to embark on financial development programmes to meet the needs of the financial sector as well as ensuring that the population in general is well acquainted with financial concepts and how to get around with finance in general.

By delving deeper into the perceptions and understanding of financial literacy in Mauritius, the study can shed light on the level of awareness and knowledge among the population regarding financial matters. It can help identify gaps in financial literacy and provide insights into the factors that contribute to individuals' decision-making processes.

Understanding the impact of recent financial events on consumers' financial wellbeing and decision-making is crucial for designing effective financial education initiatives and regulatory measures. The study can contribute to raising awareness about the importance of financial literacy and its relevance in making informed decisions about financial products and services.

Furthermore, the findings of the study can guide policymakers, financial institutions, and consumer advocacy groups in developing strategies and interventions to address the challenges faced by consumers in the aftermath of financial crises. This can include promoting transparency, enhancing consumer protection measures, and providing accessible financial education programmes tailored to the specific needs and concerns of Mauritian society.

Overall, the study has the potential to make a valuable contribution to improving financial literacy, empowering individuals to make informed financial decisions, and rebuilding trust in the financial sector in Mauritius.

Uppiah's (2018) perspective on the need for a specific law to address Ponzi schemes and the role of regulatory bodies in strengthening consumers' financial literacy is indeed crucial in combating financial crimes and protecting individuals from fraudulent activities.

The emergence of Ponzi schemes and other financial scams highlights the importance of having robust legal frameworks that specifically target and address such fraudulent practices. Implementing laws and regulations that define and punish Ponzi schemes can act as a deterrent and provide a legal basis for prosecuting those involved in such illegal activities. By having specific legislation, authorities can better protect consumers and take swift action against perpetrators.

Additionally, regulatory bodies play a vital role in ensuring the integrity and stability of the financial system. Strengthening their responsibilities in terms of monitoring, supervising, and regulating financial institutions and investment schemes can help prevent fraudulent activities and protect consumers from falling victim to scams. This can include implementing stricter due diligence measures, conducting regular audits, and enhancing transparency in financial transactions.

Furthermore, improving consumers' level of financial literacy is essential in equipping them with the knowledge and skills to make informed financial decisions. By promoting financial education initiatives, individuals can develop a better understanding of financial products, investment risks, and the warning signs of fraudulent schemes. Enhanced financial literacy can empower individuals to recognize and avoid scams, thereby reducing their vulnerability to financial fraud.

Uppiah's recommendation for specific legislation to address Ponzi schemes and the need to strengthen the responsibilities of regulatory bodies aligns with the goal of combating financial crimes and protecting consumers. Additionally, emphasising the role of financial literacy can contribute to creating a more informed and resilient society that is better equipped to identify and navigate potential financial risks.

The findings from the Finscope consumer survey report (2014) highlighted the relatively high level of financial inclusion in Mauritius, with 90% of adults being financially included in 2013. However, the report also identifies certain barriers that hinder complete financial inclusion, such as income limitations and usage and attitudinal barriers.

To address these barriers and further enhance financial inclusion, the report suggests the promotion of financial literacy and education programmes. By improving individuals' knowledge and understanding of financial concepts, products, and services, financial literacy programmes can empower individuals to make informed financial decisions, effectively manage their finances, and overcome usage barriers. Moreover, financial education can help change attitudes towards financial inclusion, encouraging individuals to engage with formal financial systems and services.

The report also emphasised the importance of collaboration between the public and private sectors in implementing financial literacy strategies. Public-private partnerships can leverage resources, expertise, and outreach capabilities to develop comprehensive and effective financial education initiatives. By working together, both sectors can contribute to raising awareness, designing targeted programmes, and delivering financial education to a wide range of individuals across the country.

Overall, the recommendations provided by the Finscope consumer survey report align with the goal of promoting financial literacy and addressing barriers to complete financial inclusion in Mauritius. By fostering collaboration and investment in financial education, Mauritius can further improve its financial inclusion landscape, empower individuals with the necessary knowledge and skills, and create a more inclusive and resilient financial system.

Examining the causal link between financial education and effective financial decision-making is a crucial aspect of understanding the impact and effectiveness of financial literacy initiatives. By conducting a study that investigates this relationship, researchers light can be shed on the effectiveness of financial education programmes and their ability to empower individuals to make informed financial decisions.

Through this study, the extent to which financial education interventions contribute to improved financial knowledge, skills, and behaviours will be assessed among participants. This study will examine whether individuals who have received financial education are more likely to exhibit positive financial behaviours, such as budgeting, saving, investing, and avoiding excessive debt. Additionally, the study will explore whether financial education leads to increased confidence in financial decision-making and better outcomes in terms of financial wellbeing.

By employing appropriate research methodologies, such as experimental designs or longitudinal studies, the causal relationship between financial education and effective financial decision-making will be explored. This will enable drawing of meaningful conclusions about the impact of financial education interventions and identify the specific aspects or components of financial education that are most influential in promoting positive financial behaviours.

By examining the causal link between financial education and effective financial decision-making, this study can provide valuable insights into the effectiveness of financial literacy initiatives and contribute to the ongoing efforts to improve financial education programmes and promote better financial outcomes for individuals and communities.

2.6 FINANCIAL INCLUSION

According to Marimuthu, Mathan and Velusamy (2015) financial inclusion refers to the provision of affordable and accessible financial services to individuals and communities, especially those who are traditionally underserved or financially marginalised. It aims to ensure that people have access to essential financial products and services, such as savings accounts, credit, insurance, and payment systems, that are affordable, convenient, and meet their specific needs.

Financial exclusion occurs when individuals or groups face barriers in accessing or using financial services. This can be due to various factors, including lack of access to physical banking infrastructure, limited financial literacy, low-income levels, discrimination, and exclusionary practices by financial institutions. Financially excluded individuals are unable to fully participate in the formal financial system and may rely on informal or alternative financial services, which often come with higher costs and risks.

Promoting financial inclusion is important for fostering economic growth, reducing poverty, and improving overall financial wellbeing. It enables individuals to save money, access credit for productive investments, manage risks, and engage in financial planning. By addressing the barriers that lead to financial exclusion and implementing policies and initiatives to expand access to financial services, governments, financial institutions, and other stakeholders can work towards creating a more inclusive and equitable financial system.

Brown et al’s (2018) perspective aligned with the understanding that financial learning and action are not solely dependent on acquiring financial information and knowledge but also involve considering the social relations and context in which financial decisions are made. This viewpoint recognises that financial behaviours and decisions are influenced by various social factors, including family dynamics, cultural norms, peer influence, and socio-economic conditions.

Financial decisions are not made in isolation but are embedded within broader social and cultural contexts. Individuals' financial behaviours and attitudes can be shaped by their social networks, social norms, and social interactions. For example, family dynamics and upbringing play a significant role in shaping individuals' financial habits and attitudes towards money. Cultural values and beliefs may influence financial decision-making, such as attitudes towards debt or investment.

Considering the social relations and context helps to provide a more holistic understanding of individuals' financial behaviours and decision-making processes. It recognises that financial literacy is not just about acquiring knowledge but also involves understanding how social factors interact with financial knowledge and skills. By taking into account the social dimensions, financial education and interventions can be designed to be more relevant and effective, addressing the social and contextual factors that impact financial wellbeing.

Allen and Asli-Demirgüç (2016) highlighted several factors that are associated with a higher level of financial inclusion. They argue that a higher level of financial inclusion is linked to lower account costs, increased access to financial intermediaries, stable political environments, and strong legal rights. These factors contribute to creating an enabling environment where individuals and businesses have better access to and utilisation of financial services.

Lower account costs play a crucial role in enhancing financial inclusion by making financial services more affordable and accessible to a wider population. When the costs of maintaining financial accounts are lower, individuals are more likely to open and use accounts, which can facilitate their participation in formal financial systems.

Increased access to financial intermediaries, such as banks, microfinance institutions, and other financial service providers, also promotes financial inclusion. When people have more options for accessing financial services, they have greater opportunities to save, borrow, invest, and manage their finances effectively.

The stability of the political environment and the presence of strong legal rights provide a foundation for financial inclusion. A stable political environment ensures confidence and trust in the financial system, while strong legal rights protect individuals' financial interests and provide recourse in the case of disputes or violations. These factors contribute to building a conducive environment where individuals feel secure in their financial transactions and are more likely to engage with formal financial institutions.

They suggest that a combination of factors, including lower account costs, improved access to financial intermediaries, stable political environments, and legal rights, can support higher levels of financial inclusion and promote economic development.

Park and Mercado (2015) emphasise the critical importance of financial inclusion, as individuals who have access to financial services and products are able to make long-term decisions related to investments, consumption, and planning for the future. Financial inclusion enables individuals to manage their finances, save for important goals, and have access to credit when needed. It provides a pathway for individuals to participate in economic activities and engage in value-added ventures that contribute to economic growth and development.

The authors also highlight the interconnectedness between income inequality, financial inclusion, and poverty. They argue that a proper understanding of these links can help governments and policymakers develop strategies to increase accessibility to financial services, reduce poverty, and mitigate income inequality. By providing individuals, especially those from low-income and disadvantaged backgrounds, with the means to access financial services, governments can empower them to improve their economic wellbeing, build assets, and participate more fully in the economy.

They point out that financial inclusion is not only crucial for individual financial security and empowerment but also has broader implications for reducing poverty, promoting economic growth, and addressing income inequality. By recognising the importance of financial inclusion and implementing policies and programmes to increase access to financial services, governments can work towards more inclusive and equitable societies.

In a study conducted in North East India, Bhanot, Bapat and Bera (2012) demonstrated that awareness of self-help groups, income, education and financial information from various channels were factors that could lead to inclusion. Bhanot, Bapat and Bera (2012) and Chhatwani and Mishra (2021) believed that there are a number of obstacles to financial inclusion, while factors including public policy, government benefits and government financial literacy programmes – which contribute to enhanced financial knowledge – lead to financial inclusion.

Cole and Shastry (2009) conducted research on the correlates and determinants of financial participation and its relation to financial literacy. They discovered that measuring the relationship between savings and education is challenging due to various factors that influence both, such as individual abilities and motivations. However, they did find a causal link between education and participation in financial markets, suggesting that higher levels of education can lead to increased engagement in financial activities.

In their study, they also investigated the impact of state government financial literacy education programmes on individuals' savings decisions. They observed that these programmes did not have a significant effect on individual savings behaviour. This finding highlights the importance of conducting evaluations of financial literacy programmes to assess their effectiveness. Evaluations help policymakers and researchers understand whether these initiatives are achieving their intended outcomes and identify areas for improvement.

Cole and Shastry's (2009) research suggests that while education can play a role in promoting financial participation, the relationship between education and savings is complex and influenced by various factors. It also underscores the need for rigorous evaluations of financial literacy programmes to ensure their efficiency and effectiveness in improving individuals' financial behaviours and outcomes.

As stated earlier, the Finscope (2014) consumer survey report for Mauritius showed 90% of adults to be financially included in 2013. However, some barriers still need to be attended in order to promote financial inclusion in Mauritius, including lack of income, and barriers of usage and attitudes. The report recommends that financial literacy/education programmes should be encouraged and states that government and private sector support are important. Less financially literate individuals make poor financial decisions, and cannot invest properly nor save wisely. The participation of the authorities is crucial to enhancing citizens' financial wellbeing.

2.7 LINK BETWEEN FINANCIAL LITERACY AND FINANCIAL INCLUSION

Ramakrishnan (2012) posited that financial literacy serves as the initial stage towards achieving financial inclusion. The author suggests that financial literacy represents the demand side of financial inclusion, as it empowers individuals to make informed decisions and effectively engage with financial services. By enhancing financial literacy, individuals can attain financial stability and contribute to the overall development of the financial sector.

According to Ramakrishnan, financial literacy has a significant impact on both the quality of life for individuals and the integrity of financial markets. By equipping individuals with essential budgeting tools and fostering disciplined saving habits, financial literacy enables them to plan for a secure retirement and navigate financial challenges effectively.

He also emphasises that financial literacy plays a crucial role in promoting inclusivity within the financial system. It empowers individuals, especially those from marginalised or disadvantaged backgrounds, to access and utilise financial services to improve their economic wellbeing. By fostering financial literacy, societies can strive for equitable access to financial resources, ultimately leading to improved living standards and enhanced market integrity.

Ramakrishnan (2012) asserts that financial literacy is a key driver of financial inclusion, with far-reaching implications for individuals, markets, and society as a whole. By promoting financial literacy, societies can strive for greater financial stability, market integrity, and overall economic development.

Zhao and Zhang (2020) argued that achieving wealth creation for both investors and the broader economy is contingent upon two key factors: wisdom and protection.

According to them, individuals need to become wiser in their financial decision-making and investment practices. This entails acquiring the necessary knowledge and skills to make informed choices, understand risks, and identify opportunities in the financial landscape. By enhancing financial literacy and promoting sound investment practices, individuals can optimise their wealth creation potential and contribute to overall economic growth.

In addition to wisdom, they highlight the importance of protection. They argue that individuals must be safeguarded against potential risks and vulnerabilities in the financial system. This includes regulations and measures that ensure transparency, fairness, and accountability in financial transactions, as well as investor protection mechanisms. By providing a secure and trustworthy environment, people can have confidence in participating in financial markets, which in turn supports wealth creation.

In essence, they assert that achieving sustainable wealth creation requires individuals to become wiser in their financial decision-making while being adequately protected from potential risks. By nurturing financial literacy and implementing robust regulations, both investors and the economy can thrive and flourish.

While financial literacy can allow individuals to make informed financial decisions, ultimately contributing to the proper functioning of a modern society, it also enables people to understand the importance of savings according to Morgan, Huang and Trinh (2019). These authors also believe that financial inclusion might come with certain dangers, citing the example of farmers driven to suicide when unable to repay loans. Morgan, Huang and Trinh (2019) believed that financial literacy should go together with financial inclusion, otherwise, it becomes overly challenging to support deprived individuals.

Many other authors (Hastings & Mitchell, 2020; Caplinska & Ohotina, 2019) believed that level of financial literacy determines good financial management.

In terms of quantitative studies, after interviewing 70,000 adults in 148 countries, Demirgüç-Kunt and Klapper (2013) studied how people without formal access to finance accounts managed their financial transactions and related risks. Key barriers identified for unbanked people were lack of money, cost, affordability, Know your Customer (KYC) requirements, distance, lack of trust in banks, inequality in income, urbanisation, religious reasons and lack of adult literacy, including financial literacy.

Bay, Catasus, and Johed (2014) argued that financial literacy cannot be limited to the ability to understand finance and accounting language. They suggest that the concept of financial literacy should be contextualised and studied in practical terms, taking into account the specific time and place in which it is applied. They emphasise that simply possessing financial knowledge does not automatically translate into improved financial practices.

They also implied that financial literacy is not a universal concept that applies uniformly across all contexts. Instead, they suggest that the understanding and application of financial literacy may vary depending on the specific socio-economic and cultural environment. Therefore, it is crucial to consider the practical aspects of financial literacy and how it is implemented in real-life situations.

They highlighted the importance of situating the concept of financial literacy within specific contexts and studying it in practice, rather than focusing solely on theoretical knowledge. This approach recognises the dynamic nature of financial literacy and acknowledges that its effectiveness may vary depending on the circumstances in which it is applied.

In the context of the study conducted in Mauritius, the aim is to explore the perceptions and understanding of financial literacy in the local context. By studying financial literacy within the specific time and space of Mauritius, I seek to enhance the understanding of how financial literacy is practised and its impact on financial decision-making in that particular setting.

2.8 THE CONCEPT OF ANDRAGOGY

Andragogy is the art and science of adult learning according to Knowles (1980), and Kearsley (2010) holds that it represents any form of adult learning. Andragogy means 'man-leading' in Greek as opposed to pedagogy, referring to 'child-leading'. While the term pedagogy has been in use since the ancient Greece era, Alexander Kapp first used the term andragogy in 1833. The application of andragogy to the context of financial literacy will be explored in this study, that is, how adult learning concepts can be applied to financial literacy for the development of this life skill.

Regarding the application of andragogy to this study, we must note different assumptions proposed by Knowles (1980) in relation to the concept itself:

1. Self-concept: As individuals mature, their self-concept tends to shift from being dependent on others to becoming more self-directed. This means that adults develop a stronger sense of independence, autonomy, and self-awareness, which can influence their approach to learning and decision-making.
2. Adult learner experience: Accumulated experience becomes a valuable resource for learning as individuals mature. Adults have a wealth of life experiences, both personal and professional, which can shape their perspectives, inform their learning processes, and provide them with practical knowledge and skills that can be applied to new learning situations.
3. Readiness to learn: Adult learners' readiness to learn becomes oriented towards the developmental tasks associated with their social roles and responsibilities. As individuals mature, they often have specific goals and obligations in their personal and professional lives. Their readiness to learn becomes focused on acquiring knowledge and skills that are directly relevant to their roles and responsibilities, and that can help them address the challenges and demands they face in their daily lives.
4. Orientation to learning: The time perspective of adult learners often shifts from postponed application of knowledge to immediacy of application as they mature. They

become more focused on acquiring knowledge and skills that they can apply immediately to solve real-life problems and address their current needs and interests. Additionally, their orientation to learning tends to shift from a subject-centred approach to a problem-centred approach, where they prioritize learning that directly addresses specific challenges or goals they encounter.

5. Motivation to learn: As individuals mature, their motivation to learn becomes more internalized. They develop a stronger intrinsic motivation to learn, driven by personal interest, curiosity, and a sense of personal fulfillment. External factors, such as grades or external rewards, become less influential, and the desire for continuous personal growth and development becomes a primary motivator for learning.

One key aspect of andragogy is the need to provide a rationale for learning according to Knowles (1984). Adults are more motivated to learn when they understand the purpose and relevance of the knowledge or skills being taught. Therefore, in financial literacy training, it is important to explain why specific topics are being covered and how they relate to real-life financial situations. This helps learners see the practical value of the information and encourages active engagement in the learning process.

Furthermore, andragogy emphasises a task-oriented approach to learning (Bolton, 2006). Instead of focusing on rote memorisation or abstract concepts, financial literacy instruction should centre around practical tasks and problem-solving. This can involve providing realistic scenarios and case studies that require learners to apply their knowledge and skills to make informed financial decisions. By connecting learning to specific tasks and applications, adults are better able to understand and retain the information, as they see its direct relevance to their own financial circumstances (Chan, 2010).

Applying andragogy principles to the design of financial literacy training programmes can enhance learner engagement, motivation, and retention of knowledge (Birzer, 2003). By providing a clear rationale for learning and incorporating task-oriented activities, instruction can be more effective in equipping individuals with the necessary financial skills and knowledge to navigate real-life financial situations.

Knowles (1984) further pointed out the importance of self-directed learning for adults. Self-directed learning involves adults taking responsibility for their own learning and actively engaging in the learning process. According to Knowles, adults are more motivated and learn more effectively when they have control over their learning experiences.

In the context of financial literacy instruction, providing opportunities for self-directed learning can be beneficial. Adults can explore financial topics, seek out relevant resources, and engage in activities that enhance their understanding and skills. By allowing adults to take ownership of their learning, they can tailor their learning experiences to their specific needs and interests.

However, Knowles also recognised the need for guidance and support, particularly in the case of mistakes. While self-directed learning is encouraged, it does not mean that adults should be left entirely on their own. Instructional support and guidance should be provided when individuals encounter challenges or make errors. This support can take the form of feedback, coaching, or access to knowledgeable instructors or mentors.

The role of guidance in self-directed learning is to provide timely assistance and facilitate learning progress. When individuals make mistakes, guidance can help them understand and correct their errors, enabling them to learn from their experiences. This approach promotes a balance between self-directed learning and the support needed to ensure effective learning outcomes.

Knowles highlighted the importance of self-directed learning for adults, but also recognised the value of guidance and support when necessary. In the context of financial literacy, providing opportunities for self-directed learning while offering guidance when mistakes occur can enhance the learning process and empower individuals to develop their financial knowledge and skills.

Hastings and Mitchell (2020) added that instruction should consider diverse learner backgrounds, and activities including learning materials should cater for different types/levels of previous experience.

They emphasise the importance of considering diverse learner backgrounds and experiences when designing financial literacy instruction. They argue that financial education activities and learning materials should be tailored to accommodate the various types and levels of previous experience that learners may have.

By recognising the diversity among learners, financial literacy instruction can be more effective in meeting the specific needs and requirements of different individuals. This approach takes into account that learners come from various backgrounds, such as different socioeconomic status, educational levels, and cultural contexts, which can significantly influence their financial knowledge and experiences.

To ensure inclusive and effective financial literacy instruction, Hastings and Mitchell suggest that materials should be designed to address the diverse needs of learners. This may involve providing different levels of content complexity, offering various learning formats (such as visual, auditory, or experiential), and incorporating real-life examples and scenarios that resonate with learners from different backgrounds.

By taking into consideration the diversity of learner backgrounds and adapting instruction accordingly, financial literacy programmes can better cater to the specific needs and prior experiences of individuals, enhancing their engagement and understanding of financial concepts.

2.9 FINANCIAL LITERACY AND ADULT LEARNING THEORY

The different assumptions of Knowles (1984) were also applied by Shirer and Tobe (2004) to the financial literacy concept. They conducted a study to address the issue of low retention rates in budgeting classes for individuals with limited financial resources. They developed a model curriculum that incorporated the "stages of change theory," which is a framework that focuses on understanding individuals' readiness to make behavioural changes.

The approach taken by Shirer and Tobe was learner-centric, meaning that it placed the learners at the centre of the learning process. This approach deviated from traditional lecture-centric approaches and offered more flexibility to accommodate the needs and preferences of adult learners. By adopting a learner-centric approach, the curriculum aimed to enhance participants' engagement and motivation to improve their financial situation.

The stages of change theory recognises that individuals go through different stages when making behavioural changes, such as moving from a state of unawareness to contemplation, preparation, action, and maintenance. The curriculum designed by Shirer and Tobe likely incorporated strategies to address these different stages and support participants in their journey towards financial wellbeing.

The learner-centric approach utilized by Shirer and Tobe's model curriculum aligns with the principles of andragogy, which emphasise the self-directed nature of adult learning. Adult learners tend to be more motivated when they have control over their learning experiences and when the learning content is relevant to their lives and goals. By making the curriculum more flexible and tailored to the needs of the participants, Shirer and Tobe aimed to increase the effectiveness of the budgeting classes and improve participants' financial outcomes.

The model curriculum developed by Shirer and Tobe demonstrated the effectiveness of a learner-centric approach, incorporating the stages of change theory, for motivating individuals with limited financial resources to adopt positive financial behaviours. This approach recognised the importance of engaging and empowering adult learners, which can lead to higher retention rates and better outcomes in financial education programmes.

Paulo Freire (1970) has made many important contributions on the learner-centred approach in the field of adult education. Teaching was viewed by Freire as a political process, a creative act and an act of knowing.

Paulo Freire's perspective on education and learning is rooted in critical pedagogy and social transformation. He emphasises the importance of learners actively engaging in the process of constructing knowledge and critically examining the world around them. In the context of financial literacy, this approach aligns with the idea that individuals are not passive recipients of information but active participants in their own learning and decision-making processes.

According to Freire, everyone possesses some level of knowledge and understanding, and it is through dialogue, reflection, and action that learners can expand and re-signify their knowledge. This approach challenges the traditional banking model of education, where knowledge is deposited into learners' minds, and instead, promotes a more collaborative and transformative learning experience.

In the context of financial literacy, learners are encouraged to critically analyse their own financial situations, question existing financial systems and practices, and actively seek knowledge and skills to make informed financial decisions. By engaging in this process of critical reflection and action, learners can gain a deeper understanding of financial concepts, develop their own perspectives and values related to finance, and actively contribute to transforming their own financial wellbeing and the broader financial landscape.

Freire's emphasis on learning as a social practice highlights the importance of creating supportive and inclusive learning environments that foster dialogue, collaboration, and the sharing of diverse perspectives. This approach acknowledges that knowledge and understanding are socially constructed, and that individuals learn and grow through their interactions with others.

Overall, Freire's ideas resonated with the notion that financial literacy goes beyond mere technical knowledge and skills. It involves critical thinking, reflection, and the development of agency to navigate the complexities of financial systems and make informed choices that align with individuals' goals, values, and aspirations.

Nyerere (1978) considered adult education as going well beyond the classroom to encompass anything which broadens people's understanding, puts them to action enables them to take their own decisions and apply them. The idea of adult education is also linked to that of community education, and this could be enlarged to include financial literacy. A community generally provides social membership. In a learning community, common goals are present and Moller (1998) considered that the completion of an instructional task is the achievement of a common goal. This allows for the internal conditions to be met for a learner to prepared and have the ability to learn (Maslow, 1954), improving capability, self-esteem, adequacy and self-confidence among others.

Amagir et al. (2018) highlighted the connection between financial education and citizenship education, particularly in the context of young people. They argue that financial empowerment and capability are essential for young individuals to become responsible citizens and achieve what they term "economic citizenship."

The authors suggest that financial education plays a crucial role in equipping individuals with the necessary skills and understanding to effectively manage their finances within the economic system. By gaining financial literacy and knowledge, individuals can make informed decisions, navigate financial systems, and engage in responsible financial practices.

The concept of economic citizenship emphasizes the importance of financial inclusion and social education. Financial education is seen as a means to promote financial inclusion, ensuring that individuals have access to and can utilise financial services and resources to enhance their economic wellbeing. By providing individuals with the skills and understanding needed for proper financial management, financial education contributes to their economic citizenship.

Moreover, financial education is viewed as part of a broader social education framework, which encompasses various aspects of personal and social development. It involves empowering individuals with the knowledge, skills, and values necessary for active participation in society, including the economic sphere. Financial education is seen as an integral component of social education, contributing to the overall development and empowerment of individuals.

Amagir et al. (2018) highlighted the relationship between financial education, financial inclusion, and social education. They argue that financial education is essential for promoting responsible citizenship, achieving economic citizenship, and enabling individuals to effectively manage their finances within the economic system. By providing individuals with the necessary skills and understanding, financial education contributes to their financial empowerment, inclusion, and overall development as responsible and informed citizens.

Hastings and Mitchell (2020) and Nicolini and Haupt (2019) have argued that knowledge of financial topics alone does not guarantee efficient financial decision making. They suggest that the role of information in financial decisions may be less significant than previously assumed. While financial literacy and knowledge are important, other factors also come into play when individuals make financial choices.

Hastings and Mitchell (2020) emphasised that financial decisions are complex and influenced by various psychological, social, and contextual factors. They suggest that individuals' financial behaviors are shaped by their attitudes, beliefs, biases, and experiences, which may not always align with their level of financial knowledge. They argue that effective financial education should consider the diverse backgrounds and experiences of learners and go beyond providing information to address these underlying factors.

Similarly, Nicolini and Haupt (2019) argued that financial knowledge alone may not translate into better financial outcomes. They suggest that individuals' financial behaviour is influenced by their financial attitudes, values, and motivations. They propose that financial literacy programmes should not solely focus on imparting knowledge but also address psychological and behavioural aspects to promote positive financial behaviours.

The research by Hastings and Mitchell (2020) and Nicolini and Haupt (2019) suggested that while financial knowledge is important, it is not the sole determinant of efficient financial decision-making. Other factors such as attitudes, behaviours, motivations, and contextual factors also play a significant role. This highlights the need for comprehensive financial education programmes that consider these various dimensions and go beyond the mere provision of information.

Ye and Kulathunga (2019) suggested that the way individuals process financial information is crucial in shaping their attitudes towards finance. They argue that the human mind plays a significant role in determining how individuals perceive and interpret financial information, which, in turn, influences their attitudes and behaviours related to finance.

The study implies that simply providing financial information may not be sufficient to foster positive attitudes towards finance. It is important to consider how individuals process and make sense of the information they receive.

Ye and Kulathunga's findings highlight the need for financial education programmes to go beyond the dissemination of information and take into account the cognitive processes involved in financial decision-making. They suggest that educational interventions should focus on enhancing individuals' cognitive abilities, critical thinking skills, and decision-making processes related to finance. By understanding and addressing the cognitive aspects of information processing, financial education programmes can effectively shape individuals' attitudes and behaviours towards finance.

The study by Ye and Kulathunga emphasised that the way individuals process financial information is crucial in shaping their attitudes towards finance. This suggests that financial education programmes should consider the cognitive processes involved in decision-making and focus on enhancing individuals' cognitive abilities in order to promote positive attitudes and behaviours in the financial domain.

Intuition, deliberation and heuristics are qualitatively diverse ways of thinking that are triggered when there is reasoning on financial issues by individuals. No one can be considered better that the other – in fact, Hasan, Le, and Hoque (2021) argued that effective financial decision-making relies on individuals' ability to select the appropriate thinking mode that suits the given situation. They propose that individuals have two primary thinking modes: intuitive thinking and deliberative thinking.

Intuitive thinking refers to quick and automatic decision-making based on instincts, heuristics, and past experiences. This thinking mode is often used in familiar and routine financial situations where individuals rely on their intuition to make decisions efficiently. On the other hand, deliberative thinking involves a more analytical and reflective approach to decision-making. It involved careful consideration of available information, weighing pros and cons, and making deliberate choices based on reasoning and logic. Deliberative thinking is typically employed in complex or unfamiliar financial situations that require a more thoughtful and thorough analysis.

Hasan, Le, and Hoque argued that the key to effective financial decision-making is the ability to recognise when to employ each thinking mode. They suggest that individuals should develop metacognitive skills, which involve self-awareness and self-regulation of their thinking processes. By being aware of the nature of the financial decision at hand and their own cognitive strengths and limitations, individuals can choose the appropriate thinking mode to approach the decision-making process.

The authors also emphasised the importance of financial education and training programmes in helping individuals develop and enhance their metacognitive skills. By providing individuals with the knowledge and tools to recognise and utilise the appropriate thinking mode, these programmes can improve individuals' ability to make sound financial decisions. Antonietti, Borsetto, and Iannello (2016) suggested that metacognition plays a crucial role in promoting individuals' ability to select appropriate strategies and behaviours in specific situations, including financial decision-making. Metacognition refers to the awareness and regulation of one's own cognitive processes and the ability to reflect on and monitor one's thinking.

In the context of financial decision-making, metacognition involves understanding one's own financial knowledge and skills, as well as recognising the limitations and biases that may influence decision-making. It includes being aware of one's financial goals, values, and priorities, and being able to reflect on how these factors may impact decision outcomes. Metacognition also encompasses the ability to evaluate and select from different financial strategies or approaches based on their potential effectiveness and suitability for a given situation.

By developing metacognitive skills, individuals can become more mindful of their own cognitive processes and biases, allowing them to make more informed financial decisions. For example, individuals who possess metacognitive awareness may be more likely to seek out additional information or advice when making complex financial choices, recognise the need to regulate impulsive spending behaviours, or evaluate the potential risks and benefits of different investment options.

Antonietti, Borsetto, and Iannello proposed that promoting metacognitive skills can be achieved through targeted interventions and educational programmes. These programmes can focus on helping individuals develop self-reflection and self-monitoring abilities, as well as providing them with tools and strategies to regulate their cognitive processes during financial decision-making. By enhancing individuals' metacognitive capacities, they can improve their ability to choose appropriate strategies, consider alternative options, and make more effective financial decisions.

2.10 FINANCIAL LITERACY FOR SPECIFIC ADULT GROUPS

Several studies have examined how financial literacy has an impact on different group. For instance, Lusardi and Mitchell (2007) reviewed literature on financial literacy and retirement, revealing the non-familiarity of households with topics related to finance, and that education level has an impact on the rise of financial literacy level.

In general, women tended to have lower levels of financial literacy compared to men. This gender disparity in financial literacy has been observed in various studies conducted across different countries and contexts. Several factors contribute to this gap:

1. Socio-cultural factors: Societal norms and gender roles can influence financial literacy outcomes. Traditional gender roles may limit women's exposure to financial decision-making and opportunities for financial education. Cultural expectations and societal biases can also play a role in shaping financial behaviours and attitudes.
2. Education and access: Disparities in educational opportunities and access to financial resources can contribute to differences in financial literacy levels. Women may face barriers to education and financial resources, which can impact their ability to acquire financial knowledge and skills.
3. Confidence and Self-Efficacy: Women may exhibit lower levels of confidence and self-efficacy in financial matters, which can deter them from actively seeking financial

knowledge or engaging in financial decision-making. This lack of confidence can be influenced by societal messaging and perceived gender norms.

4. Income and Wealth Disparities: Gender wage gaps and disparities in wealth accumulation can impact women's financial literacy. Lower income levels and limited financial resources can make it challenging for women to engage in financial activities and gain practical experience.

Fonseca et al. (2012) interviewed 2500 respondents on their financial literacy, responsibilities and background. Results showed that men within the household are more likely to take financial decisions, because they gain more financial knowledge than women. Lusardi and Mitchell (2008) found that only 29% of 785 women answered financial literacy questions correctly. Exposing women to financial education could enable them to make the right financial decisions.

A study by Lusardi, Mitchell, and Curto (2012) shed light on the financial literacy of older people and highlights the importance of early introduction to financial concepts. The findings suggest that despite having made numerous financial decisions throughout their lives, older individuals still exhibit low levels of financial literacy.

This indicates that financial literacy does not necessarily come solely from experience or exposure to real-world financial situations. It underscores the need for formal financial education that covers essential concepts and skills. By introducing financial literacy at a younger age, individuals can develop a strong foundation of financial knowledge and skills that can benefit them throughout their lives.

Starting financial education at an early age can provide individuals with a better understanding of financial concepts such as budgeting, saving, investing, and managing debt. It can help them develop good financial habits and behaviours from a young age, setting them on a path towards financial wellbeing in the long run.

Furthermore, covering concepts that may not be learned through personal experience is crucial. Financial literacy education should include topics such as compound interest, risk diversification, inflation, and long-term financial planning. These concepts may not be learned naturally through personal financial experiences alone, and formal education can bridge the gap.

By introducing financial literacy at a younger age and covering a comprehensive range of topics, individuals can build a strong financial foundation and be better prepared to make informed financial decisions throughout their lives.

People who are economically disadvantaged might also not be able to make good financial decisions due to a lack of financial literacy. In a pre-training survey conducted by Anderson and Scott (2006), respondents from this segment answered only about 54% of questions correctly on topics like banking practices, credit use and interest rates, saving and investing among others; however, after training, their financial knowledge improved significantly (74% of questions answered correctly), and improved across all personal characteristics.

Economic disadvantage can significantly impact an individual's ability to make informed and effective financial decisions. Financial literacy plays a crucial role in helping individuals understand financial concepts, navigate financial systems, and make sound financial choices. However, those who are economically disadvantaged often face additional challenges that can hinder their financial literacy and decision-making abilities.

Limited access to financial resources, such as banking services, affordable credit, and investment opportunities, can restrict the financial choices available to economically disadvantaged individuals. They may also lack exposure to financial education and resources that can help them develop the necessary knowledge and skills to manage their finances effectively.

Furthermore, economic disadvantage can create financial stress and instability, which can further impede the ability to make sound financial decisions. Individuals who are struggling financially may be more vulnerable to predatory lending, scams, and other financial pitfalls, leading to a cycle of financial hardship.

Addressing the financial literacy gap among economically disadvantaged individuals is crucial for promoting financial wellbeing and reducing economic inequality. Efforts should focus on providing accessible and tailored financial education programmes that consider the specific challenges and needs of disadvantaged populations. This may involve partnering with community organisations, government agencies, and financial institutions to deliver targeted financial literacy initiatives, offering resources in multiple languages, and incorporating real-life examples and practical strategies.

By improving financial literacy among economically disadvantaged individuals, we can empower them to make informed financial decisions, better manage their resources, and work towards achieving greater financial stability and independence.

Many such programmes target people who have had previous financial difficulties, and this might be relevant to the Mauritian context where many have fallen victim to unregulated Ponzi-type schemes. While it is important to impart financial education to specific groups, financial education is also needed for specific behaviours, for example, buying a home (Klapper & Lusardi, 2020). Carswell (2009) carried out a study on mortgage counselling for low to middle earners in Philadelphia in the USA, with mixed results. Some borrowers prioritised their mortgage repayment after counselling, but others still reported making payments late.

It is often witnessed that adults between the ages of 24 and 55 are more financially literate. Youngsters below that age are still getting acquainted with financial services while older people who are not well versed in mobile applications and technologically enabled services are unable to take the full benefits from financial services and their literacy with regards to financial innovation remains limited (Kadoya & Khan, 2020).

2.11 MEASURING FINANCIAL LITERACY

As stated earlier, as there is divergence in terms of a common definition of financial literacy, there is also some divergence in the methods to measure it. Researchers and organisations have employed various approaches to assess individuals' financial literacy levels, and the choice of measurement method can influence the results and interpretation of financial literacy studies.

Some common methods used to measure financial literacy include:

1. Knowledge-based assessments: These assessments typically involve testing individuals' understanding of financial concepts, such as interest rates, inflation, risk diversification, and investment principles. Multiple-choice questionnaires or quizzes are often used to evaluate individuals' knowledge in these areas.

2. Self-assessment surveys: These surveys rely on individuals' self-reported perceptions of their own financial knowledge and confidence. Participants rate their level of understanding or competence in managing various financial matters.
3. Objective assessments: These assessments evaluate individuals' ability to apply financial knowledge and make informed financial decisions through real-life scenarios or simulations. Participants may be presented with financial scenarios and asked to make choices or evaluate different options.
4. Behaviour-based measures: These measures focus on individuals' actual financial behaviours, such as savings rates, debt management, investment choices, and budgeting practices. They assess whether individuals exhibit behaviours that align with financial literacy principles.

It is important to note that each measurement method has its strengths and limitations. Knowledge-based assessments may not capture individuals' actual financial behaviours, while self-assessment surveys can be influenced by biases or overconfidence. Objective assessments and behaviour-based measures provide more direct insights into individuals' financial decision-making skills, but they can be more time-consuming and costly to administer.

Researchers and policymakers often use a combination of measurement methods to obtain a more comprehensive understanding of individuals' financial literacy. By considering multiple dimensions and using different measurement approaches, a more holistic view of financial literacy can be obtained.

Ultimately, the choice of measurement method should align with the research objectives and the specific context in which financial literacy is being assessed. It is important for researchers and practitioners to carefully consider the strengths and limitations of each approach to ensure accurate and meaningful measurements of financial literacy. Huston (2010) showed that researchers used questions covering a wide variety of topics when assessing financial literacy, including credit cards, insurance, retirement savings, mortgages, inflation and budgeting. The number of questions used varies greatly (Kempson, 2009; Atkinson & Messy, 2011), as certain studies include broad areas, while others focus on one aspect only. Hung, Parker and Yoong (2009) found that in financial literacy studies done before, use of questions in relation to financial literacy was constrained. Very diverse questions are used in some surveys to collect comprehensive information, but the sample is restricted to a specific age group.

We can thus consider that there has been little consistency in terms of measurement of financial literacy.

Hastings, Madrian and Skimmyhorn (2013) found that measures of financial literacy that are test-based yielded a bad performance. Such findings, along with literature on the topic by researchers including Kadoya and Khan (2020), have shown financial mistakes by consumers and establish a positive correlation between financial literacy and suboptimal financial outcomes. Existing research is inadequate for drawing conclusions about whether financial education works, and if it does work, under what conditions it does so.

Atkinson and Messy (2012) presented findings from an OECD International Network on Financial Education (INFE) study done in 14 countries, focusing on variations in financial attitude, knowledge and behaviour across and within countries according to socio-demographics. This was the first report to detail findings from these countries (Albania, Armenia, British Virgin Islands, Czech Republic, Estonia, Germany, Hungary, Malaysia, Ireland, Peru, Norway, Poland, South Africa and UK) that focused on levels of financial behaviours, attitudes and behaviours towards long-term plans.

Results showed limited financial knowledge among a big segment of the population and financially behaviour to be improved. There was variance in terms of attitudes. Countries may use these results to identify needs and gaps in financial education and plan for development of national strategies or policies.

Interestingly, Serido et al. (2013) have proposed a financial capability model of development where there is an integration of financial behaviour, knowledge and self-beliefs in the process of financial decision making. What is relevant here is financial knowledge's impact on wellbeing is brought about by change in self-beliefs: throughout their journey of acquiring financial knowledge individuals' financial behaviours and decisions will be consistent with their wellbeing.

2.12 EFFICACY OF FINANCIAL LITERACY PROGRAMMES

Hathaway and Khatiwada (2008) provided a comprehensive analysis of literature on how financial education programmes impact on consumers' financial behaviour. They concluded that training works best when it takes place just before a financial event, such as using a credit card or buying a house and suggest that financial education not targeted at preparing participants for such events produces weak results, and that causality may operate in both directions. The authors also recommended that programme evaluation is an essential element of any programme that should be included in the design before they are introduced.

Numerous studies have explored the effects of financial education programmes on individuals' financial behaviour. While the specific findings may vary across studies, there is evidence to suggest that financial education can have a positive impact on consumers' financial behaviours.

Some of the findings are as follows:

1. Improved knowledge and awareness: Financial education programmes can enhance individuals' knowledge and understanding of financial concepts, products, and services. This increased knowledge can help individuals make more informed financial decisions.
2. Better financial management skills: Financial education programmes often focus on building skills such as budgeting, saving, debt management, and investment. By developing these skills, individuals can improve their financial management practices and make more effective use of their financial resources.
3. Increased confidence and self-efficacy: Participating in financial education programmes can boost individuals' confidence in managing their finances. This increased self-confidence can lead to more proactive financial behaviour and a greater willingness to engage with financial institutions and products.
4. Positive behaviour change: Studies have shown that financial education programmes can lead to positive changes in financial behaviours. These changes may include increased savings rates, reduced debt levels, improved credit management, and better retirement planning.
5. Long-term impact: Some research suggests that the effects of financial education programmes can be sustained over the long term. Participants may continue to apply the knowledge and skills acquired from the programmes, leading to lasting improvements in their financial behaviours.

However, it is important to note that the impact of financial education programmes can be influenced by various factors, such as the content and delivery of the programmes, the target audience, and individual characteristics. Additionally, financial education alone may not be sufficient to overcome structural barriers or address systemic issues that can affect individuals' financial wellbeing.

While financial education programmes have the potential to positively impact consumers' financial behaviour, it is crucial to design and deliver effective and targeted programmes that address the specific needs and circumstances of the participants. Ongoing evaluation and research are essential to refine and improve the effectiveness of financial education initiatives.

As far as personal finance is concerned, Xiao and O'Neill (2016) proposed the concept of financial health as a comprehensive measure of an individual's monetary state. Financial health encompasses four dimensions: spending, saving, planning, and borrowing. By considering these dimensions, financial health provides a more holistic perspective on an individual's overall financial capability and wellbeing.

1. Spending: This dimension focuses on how individuals manage their expenses and make spending decisions. It involves understanding and controlling one's cash flow, distinguishing between needs and wants, and practicing responsible spending habits.
2. Saving: The saving dimension assesses an individual's ability to set aside money for future needs and goals. It involves developing saving habits, establishing emergency funds, and planning for long-term financial security through retirement savings and investments.
3. Planning: Planning refers to an individual's ability to set financial goals, create a budget, and make strategic financial decisions. It involves thinking ahead, setting priorities, and developing a roadmap for achieving financial objectives.
4. Borrowing: The borrowing dimension evaluates an individual's use of credit and debt management. It involves understanding the terms and conditions of borrowing, using credit responsibly, and managing debt obligations effectively.

By considering these four dimensions, financial health offers a more comprehensive evaluation of an individual's financial situation, taking into account not only their current monetary state but also their financial habits, planning skills, and borrowing behavior. It provides a broader understanding of overall financial capability and wellbeing beyond traditional measures such as income or net worth.

Assessing financial health can help individuals gain insights into their financial strengths and weaknesses, identify areas for improvement, and make informed decisions to enhance their financial wellbeing. It can also serve as a basis for financial education and counseling programmes to provide targeted support to individuals in areas where they may need assistance.

It is important to note that financial health is a dynamic concept that can vary over time and across individuals. Different individuals may prioritise different dimensions based on their unique circumstances and financial goals. Therefore, a comprehensive assessment of financial health should consider individual preferences and circumstances to provide tailored recommendations and guidance.

Hathaway and Khatiwada (2008) also believed there is a need to understand how consumers behave and make decisions around personal finance, since this is critical for designing programmes to influence these behaviours for better financial outcomes. Similarly, better understanding through programme evaluation and experimentation of what does and does not work in financial education programmes is crucial for filling financial knowledge gaps (Hastings & Mitchell, 2020).

Balasubramnian and Sargent (2020) highlighted the important role of the private sector in promoting financial literacy. They argue that the private sector, including financial institutions, has a vested interest in improving financial literacy among consumers. This is because financially literate individuals are more likely to make informed financial decisions, understand and use financial products and services effectively, and become long-term customers.

The private sector has responded to the need for financial literacy by offering various initiatives and programmes aimed at improving consumers' financial knowledge and skills. Financial institutions have developed educational materials, workshops, online resources, and financial planning tools to help individuals enhance their financial literacy. They have also collaborated with community organisations, schools, and other stakeholders to reach a wider audience and promote financial education.

Furthermore, the private sector has integrated financial education into their customer services and marketing strategies. They provide clear and transparent information about financial products, educate consumers about the risks and benefits, and offer personalised guidance to help individuals make informed decisions. Some financial institutions have also implemented financial wellness programmes to support their customers' overall financial health.

The response from the market indicates that there is a recognition of the importance of financial literacy and a growing demand for financial education. Consumers are actively seeking information and resources to improve their financial knowledge and make better financial decisions. As a result, the private sector has adapted to meet this demand and play a proactive role in promoting financial literacy.

While the private sector's efforts are commendable, it is important to ensure that the information and resources provided are unbiased, accurate, and accessible to all segments of society. Collaboration between the private sector, government agencies, and non-profit organisations can help create a comprehensive and inclusive approach to financial literacy promotion. Klapper and Lusardi (2020) argue that the public sector also has a crucial role to play in promoting financial literacy. They emphasise the importance of policymakers prioritising financial literacy improvement as part of broader efforts to enhance financial wellbeing for individuals, families, and society as a whole.

The public sector can contribute to promoting financial literacy through various initiatives. One approach is the development and implementation of comprehensive websites that provide reliable and accessible information on various financial topics. These websites can serve as a centralised hub for individuals seeking financial guidance and resources. They can offer tools, calculators, educational materials, and other interactive features to help individuals improve their financial knowledge and skills.

In addition, the public sector can coordinate policies and programmes that focus on savings related issues. This can include initiatives to encourage savings, such as tax incentives or matching programmes, and policies that facilitate access to safe and affordable savings products. By addressing barriers to savings and promoting responsible saving behaviour, policymakers can help individuals build financial resilience and achieve their long-term goals.

Furthermore, the public sector can play a role in promoting financial literacy through educational campaigns and outreach efforts. These campaigns can target specific demographic groups, such as students, low-income individuals, or vulnerable populations, and raise awareness about the importance of financial literacy. They can also provide guidance on key financial concepts, such as budgeting, debt management, and retirement planning.

Klapper and Lusardi stressed that financial literacy improvement should be seen as a priority for policymakers. By investing in financial education initiatives, coordinating policies, and leveraging technology and communication channels, the public sector can help individuals make informed financial decisions, improve their financial wellbeing, and contribute to the overall economic and social development of society.

2.13 FINANCIAL BEHAVIOUR

Regarding financial literacy link to financial behaviour, research findings have been mixed. Some studies suggest a significant influence of financial education on financial behaviour, indicating that individuals who are more financially literate tend to make better financial decisions (Lusardi & Tufano, 2015). These studies emphasise financial literacy's role in influencing financial behaviour positively.

However, other studies present a different perspective, indicating that financial literacy does not always translate into improved financial decision-making (Smyczek & Matysiewicz, 2015; Glaser & Walther, 2013). Glaser and Walther (2013) specifically note that suboptimal financial decisions can be influenced by prevailing circumstances rather than a lack of financial literacy.

These contrasting findings suggest that the relationship between financial education and financial behaviour is complex and influenced by various factors. While financial literacy is important, it may not be the sole determinant of financial decision-making. Other situational and contextual factors, such as economic circumstances, emotions, and social pressures, can also play a role in shaping financial decisions.

Behavioural finance emphasises the role of psychology in finance, and aims to explain the behaviour of individuals and financial markets in terms of theories based on psychology.

Balasubramnian and Sargent (2020) highlighted that behavioural finance is a field of study that recognises the influence of individuals' characteristics and the information structure on financial markets. Traditional finance theory assumes that individuals are rational and make decisions based on all available information. However, behavioural finance challenges this assumption and suggests that individuals may exhibit biases, heuristics, and other psychological factors that influence their decision-making.

Behavioural finance acknowledges that individuals do not always make fully rational decisions and that their behaviour can deviate from what traditional finance theory predicts. It recognises that psychological factors, such as cognitive biases and emotions, can impact individuals' investment choices and market outcomes. For example, individuals may exhibit loss aversion, where they are more sensitive to losses than gains, leading to suboptimal investment decisions.

Furthermore, Balasubramnian and Sargent emphasised that the information structure in financial markets is an important consideration in understanding investor behaviour. In many cases, individuals do not have perfect or complete information, and they must make decisions based on limited or imperfect information. This can lead to market inefficiencies and deviations from rational behaviour.

Behavioural finance seeks to understand and explain these deviations from traditional finance theory by incorporating insights from psychology, sociology, and other social sciences. By recognising the impact of individuals' characteristics and the information structure on financial markets, behavioural finance provides a more nuanced understanding of market behaviour and outcomes.

Balasubramnian and Sargent suggested that behavioural finance offers a valuable perspective in explaining market phenomena and understanding the role of individuals in shaping financial markets. By considering individuals' characteristics and the information environment, researchers and practitioners can gain insights into market dynamics and design strategies that account for behavioural biases and market inefficiencies.

Classical theory insists that individuals are fully rational and markets are efficient, despite the fact that human decisions – including economic or financial decision – are often influenced by human psychology. While research in the field of behavioural finance is not elaborate, the origins go back to Adam Smith (1776), who showed that people tend to make decisions based on beliefs and impressions, rather than information of a rational nature. While traditional finance has regarded psychological biases as irrelevant, behavioural finance concentrates on how people behave in terms of their financial decisions.

Financial decision-making can be really complex and poor choices may have many consequences. Behavioural economics focuses on understanding and researching the factors that influence individuals' economic decisions, particularly those that deviate from traditional rational decision-making assumptions.

Financial literacy plays a crucial role in decision-making because it equips individuals with the knowledge, skills, and understanding necessary to navigate the complexities of personal finance. With financial literacy, individuals can make informed and rational choices based on their understanding of financial concepts, products, and risks. They can evaluate different options, weigh the pros and cons, and make decisions that align with their goals and interests.

On the other hand, a lack of financial knowledge and literacy can lead to more intuitive and irrational decision-making. Ultimately, promoting financial literacy is essential for empowering individuals to make more informed and rational financial decisions, avoiding potential pitfalls, and achieving better financial outcomes. By understanding the principles of personal finance and developing critical thinking skills, individuals can navigate the complexities of financial decision-making with greater confidence and effectiveness.

Yeop and Jalil (2010) defined the decision-making behaviours of investors as how they predict, judge, review and analyse procedures prior to making decisions; this includes psychology related to investment, assembling, analysing and assimilating information as well as the research and analysis component. They add that financial literacy indeed has a crucial role in investors' behaviour and decisions, and that misunderstood personal characteristics within this behaviour may generate unrealistic or inaccurate outcomes.

Ateş et al. (2016) surveyed 596 stock investors to measure their financial literacy, examine their behavioural biases, and assess the relationship between the two. Their results showed that while half have low financial literacy and they tend to be behaviourally biased.

2.14 FINANCIAL DECISION-MAKING

Many researchers have examined financial literacy's link to decision-making. Murugiah's (2016) perspective alignedd with the understanding that financial decisions are influenced by various factors, including individuals' knowledge, behaviours, attitudes, and skills related to money management. Financial decisions are not made in isolation but are shaped by the complex and contextual nature of individuals' financial situations and environments.

Prudent strategies in financial education and intervention programmes can help individuals develop the necessary knowledge, skills, attitudes, and behaviours to make informed and responsible financial decisions. These strategies should consider the multidimensional aspects of financial decision-making, considering the complexity of financial products, the influence of social and cultural factors, and the individual's unique financial circumstances.

By adopting prudent strategies, financial education initiatives can provide individuals with the tools and resources to enhance their financial literacy and improve their overall financial wellbeing. This may include offering practical guidance on budgeting, saving, investing, debt management, and risk mitigation. It may also involve addressing behavioural biases and promoting responsible financial behaviours.

Recognising the complexity and contextual nature of financial decisions allows for the development of targeted and tailored interventions that can better meet the diverse needs of individuals and communities. By addressing the multifaceted aspects of financial decision-making, these strategies can help individuals navigate the complexities of their financial lives and make more informed and prudent choices.

The importance of prudent strategies in shaping consumers' knowledge, behaviours, attitudes, and skills towards money management reflects the need for comprehensive and contextually sensitive approaches to financial education and intervention programmes.

Lusardi and Mitchell (2014) opined that high-net-worth individuals investing in financial markets have a tendency to improve their knowledge from a financial perspective.

The findings from Agarwal et al. (2009) indicating that the young and the old tend to make more financial mistakes and have lower financial knowledge align with the understanding that financial literacy varies across different age groups.

The young individuals, who are often in the early stages of their financial lives, may have limited experience and knowledge about managing their finances. They may be more susceptible to impulsive decision-making, lack of financial planning, and insufficient understanding of financial concepts, which can lead to financial mistakes.

On the other hand, older individuals may face different challenges due to changing economic landscapes, retirement planning, and complex financial products. They may encounter difficulties in keeping up with the evolving financial systems and may be vulnerable to scams or financial pitfalls.

The lower financial knowledge among the young and the old can contribute to a higher likelihood of making financial mistakes. Financial literacy plays a crucial role in equipping individuals with the necessary knowledge and skills to make informed financial decisions, manage risks, and avoid common pitfalls.

These findings highlighted the importance of targeted financial education and literacy programmes for both the young and the old. Tailored interventions that address the specific needs and challenges of each age group can help improve financial knowledge, promote responsible financial behaviours, and reduce the occurrence of financial mistakes.

By empowering individuals with the necessary financial knowledge and skills, it becomes possible to enhance their ability to make sound financial decisions at different stages of life, thereby contributing to their financial wellbeing and overall financial health.

Hilgert et al (2003) demonstrated a strong correlation between financial literacy and financial management skills. Research in many countries has shown that financially literate individuals tend to be more active in financial markets, for example through investment in stock (Kimball & Shumway, 2006). Individuals who are financially savvy have a tendency to be more inclined towards retirement planning, and according to Lusardi and Mitchell (2011), planners have a tendency to amass more wealth.

On the liability side, Moore (2003) showed that individuals who are lesser financially literate are likely to have costly mortgages. Lusardi and Tufano (2009), along with Morgan and Long (2020) confirmed that the lesser financially literate might incur higher transaction costs, use borrowing facilities at a higher cost and pay higher fees. Such people also tend to adopt costly credit card behaviour (Mottola, 2013) and borrow against their pension accounts Utkus & Young, 2011).

The great number of mortgage defaults during the 2008–2009 crisis suggests that debt and bad debt management can result in financial blunders. For instance, some borrowers are not aware of their credit card interest rates and mortgage balances. Lusardi and Mitchell (2014) hold that education can have influence in financial decisions, while research by Haliassos and Bertaut (1995) and Lusardi and de Bassa Scheresberg (2013) showed that people who attended college might indulge less in high-cost borrowing and may own stocks. Likewise, according to (Morgan and Long (2020) also demonstrated a positive corelation between education and the holding of wealth.

In the Mauritian context, Fowdar et *al*. (2007) revealed that a majority of Mauritians lack the adequate levels of financial literacy and thus they adopt a meagre and less sensible approach towards making financial decisions.

The Ponzi schemes of 2013 have also marked the financial landscape in Mauritius, where the lack of sound financial knowledge led to poor decisions as per Uppiah (2018). The poor financial knowledge also impacts savings, investment, debt management, budget planning and forecasting as well as retirement decisions. Many studies have been done previously in the field of financial literacy in Mauritius such as OECD (2016) and by FinMark Trust (2014). However, these had emphasis personal finances.

2.15 SUMMARY OF LITERATURE REVIEW

Various definitions of financial literacy have been explored, and how almost all authors link it to financial decision-making, which is the goal of acquiring such literacy in the first place. Looking at the global context, we have seen how financial literacy levels differ from country to country and how developing countries, including those from sub-Saharan Africa, are often underrepresented in research conducted in the field. As a result, developing countries are less knowledgeable about the concept of financial literacy. Mauritius is a developing country that has faced a number of difficulties because of the lack of financial literacy, and there is a need to come up with education and financial education programmes to enhance this. Lusardi, Hasler and Yakoboski (2021) also examined how financial literacy contributed to the alleviation of poverty, assisting vulnerable groups and reducing income inequality, among others.

Another aspect that was explored is how financial literacy can be an integral part of adult and community learning, and how such literacy can be enhanced in specific adult groups, according to their situations and needs. Financial literacy levels have been measured and financial literacy programmes' effectiveness has been investigated. Specific financial behaviours were examined along with their link to human psychology and how certain biases can arise because of limited financial literacy (Rai, Dua & Yadav, 2019). Finally, financial literacy's impact on market participation and financial decision-making was discussed.

The main gap identified relates to the perceptions of people from middle-income groups or the middle class in relation to financial literacy which have not been researched across academia. There is limited research on how financial literacy can help individuals to protect themselves through insurance policies, secure their future through educational or retirement plans, or ensure their financial wellbeing through investment in the stock market, for example. What also needs to be researched are the trends in terms of their spending and savings, and what amount of money they devote to investment in financial services and products for their protection and wellbeing.

As a reminder the main research questions are as follows:

- To determine the financial knowledge of adult Mauritian individuals and their ability to communicate on key financial concepts.
- To generate insights into aptitude for managing personal finances and making certain financial choices.
- To determine whether adult Mauritians are able to take correct financial decisions and adequately plan their future needs.
- To examine the extent to which local authorities contribute to enhancing general financial literacy of the citizens through appropriate programmes.

CHAPTER 3: THEORETICAL FRAMEWORK

3.1 INTRODUCTION

The theoretical concepts framing this study are considered in this chapter. First there is a brief overview of the conceptual framework of financial literacy, followed by behavioural theories in financial literacy. The theoretical framework for financial behaviour and goal-setting theory are then described, followed by an overview of the theory of andragogy and adult education, and the relevance of the theories to the study. The social constructivist approach to financial literacy is then detailed, followed by the pragmatist approach. The contextual framework and positioning of the study in relation to the theories is described, followed by the conclusion of the chapter.

3.2 THEORIES CONSIDERED

Until recently, the focus of research has been mostly on acquisition of financial knowledge acquisition instead of behavioural competencies bringing about positive financial outcomes (Xiao, 2008). There has not also been focus on the socially constructed environment where application of learning is done, with little focus also on the barriers and incentives to adoption and pursue of good financial behaviour with time.

Frameworks have thus been integrated to serve as the theoretical underpinning for the study: the behavioural and social constructivist frameworks are the main theories that have been considered, along with the goal-setting and adult learning theories.

There is complementarity in the frameworks used and there is also a presentation of different levels of focus and abstraction. Combining the theories has provided guidance to the understanding and interpretation of financial literacy in the specific context studied, that is, among adult Mauritians.

A person who is financially educated is believed not only to acquire the required skills and knowledge, but also to apply them in action (Hogarth, 2006; Norman, 2010). Therefore, only getting financial knowledge is not enough. It is believed that having acquired knowledge and skills, a financially enlightened individual will start developing positive attitudes to practices such as debt reduction, money management, risk management and saving.

Individuals taking their own financial decisions after receiving financial education are also included here and this may help narrow the illiteracy gap (Shuttleworth, 2009). Irrespective whether an individual may be financially literate or not, it is exposure to motivational strategies that will create desired attitudes as per Hogarth (2006). Shim et al. (2010) showed how there could be a combination of the theories of planned behaviour and consumer socialisation for an explanation of adults' financial evolution. Exposure of individuals to the different methods of financial literacy promotion could be done in a formalised setup like the school or more in an informal setup like programmes and workshops sponsored by employers. For Mochis (1985), interpersonal communication and communication that arises within the family setting have a great influence on an individual's perception and evolution with regards to financial literacy. The process of consumer socialisation and familial influence act as main influencing factor on consumer financial decision making. In another research by Roedder (1999), customer socialisation is entailed by a focus on developmental sequence that enables consumer enhance their knowledge, skills, values as he/she matures within the family setting. Consumer socialisation allows the individual to grasp the knowledge about products, brands, advertising, decision-making strategies, parental influence and consumption motives and values.

3.3 BEHAVIOURAL THEORIES IN FINANCIAL LITERACY

From the 1980s onwards behavioural finance has developed as an area of research and has been established in the field of economic sciences. The assumption around behavioural finance is not that individuals act in a financially rational way, unlike what is seen in classical financial economics models. The focus of behavioural finance is instead on affective and cognitive aspects that influence decision-making and hamper coherent actions. In this way, behavioural anomalies that have been observed in the financial markets are explained.

In the realm of behavioural economics, a branch known as behavioural finance has emerged to study fresh theories that explain how financial decisions are made. Presently, the literature on the implications of current research in behavioural finance related to financial literacy is quite limited. Yoong (2011) has made an examination of how behavioural finance and behavioural economics can make financial education programmes more effective. In this context, it primarily has to do with the setting up an institutional framework that simplifies decision-making from a financial perspective through reliable information and incentives instead of describing the relevance of behavioural finance from an educational perspective as a financial education subject. For example, Altman (2012) recognised behavioural finance's potential to adjust "government policies that gently steer consumers towards decisions that some argue are in their best interests." It assumes that experts possess superior knowledge to individual decision-makers regarding what is truly beneficial for them.

Behavioural models like the planned behaviour theory, the trans theoretical model, and theory of self-determination have been applied in studies relevant to the education and health sectors, for instance, to influence behaviours (American Institutes for Research, 2010).

Application of such theories may enhance how individual behaviours are shaped, understood and influenced. For instance, planned behaviour theory can be used to analyse online shopping, investment, and debt reduction behaviours, while the trans theoretical model can provide insights into motivating individuals to reduce debt and increase their savings. Additionally, self-determination theory can aid in understanding what contributes to individuals' attitudes and motivations towards money (Schuchardt et al., 2007, 2009).

Bhushan & Medury (2013) considered that personal finance is a discipline rooted in behaviour. It relies on the willingness of decision-makers to replace problematic behaviours with positive behaviours as per Schuchardt et al., (2007). Based on this premise, two frameworks have been utilised – theoretical and conceptual – to explore how financial education can be used to shape individuals' attitudes and behaviours to financial issues and services available.

Personal finance is associated with a process of acquiring, developing, and allocating financial resources to meet the needs of individuals and households. It involves skills, comprehension, and behaviours related to money mattered (Schuchardt et al., 2007). These authors stated that decision-makers hold a central role in personal finance, and the more adept an individual is at money management, the greater the likelihood of realising their aspirations (National Endowment for Financial Education, 2010). Studies have shown that financial behaviour can be enhanced by financial education (Jump$tart, 2012). The survey by Jump$tart (2012) also showed that exposure to financial education while improving financial knowledge also leads to more refined and responsible financial behaviour.

The planned behaviour theory, trans theoretical model, and theory of self-determination were used in conjunction to gain insights into motivating positive attitudes towards financial matters (Yildirim et al., 2017). Human behaviour concerning money can exhibit desirable or undesirable patterns across institutions, societies, households, and individuals. For instance, cultivating positive attitudes and behaviours towards savings and investment is crucial in the process of wealth creation or accumulation (Ingale & Paluri, 2022). According to Schuchardt et al. (2009), understanding behaviour formation and the processes involved in assisting individuals and households to shift from unfavourable financial behaviours to positive ones is essential when attempting to promote financial behaviour change. Positive financial behaviour encompasses money management, saving and debt control behaviours, among others.

Many researchers hold that financial literacy leads to acquisition of financial knowledge and skills, which in turn influences financial decision-making ability, behaviour, and wellbeing of the individual (Schuchardt et al., 2009; Mandell & Klein, 2009; Lusardi, 2012;). According to the Council for Economic Education (2012), “Financial education is a key predictor of financial knowledge—and financial knowledge is a key predictor of financial behaviour” (p. 5).

Numerous researchers hold that financial literacy has a significant role to play in acquiring financial knowledge and skills, which then influence financial decision-making, behaviour, and overall wellbeing for the better (Schuchardt et al., 2009; Mandell & Klein, 2009; Lusardi, 2012). The Council for Economic Education (2012, p. 5) states that "Financial education is a key predictor of financial knowledge – and financial knowledge is a key predictor of financial behaviour".

Traditionally, literacy referred to ability to read and write, with various theoretical fields claiming and defining the concept. Huhmann et al. (2009) applied theories of consumer psychology of learning, processing and knowledge to comprehension, acquisition, and usage of financial information and concepts. Their research resulted in a financial numeracy conceptual model that incorporates broader cognitive capacity and prior knowledge constructs. Financial numeracy encompasses proficiency in understanding, processing, acquisition and use of financial information, concepts and numeracy built on an individual's prior knowledge, financial capacity or financial literacy (Philippas & Avdoulas, 2020). Financial capacity involves the aptitude for processing and understanding statistics and information regarding financial services, while financial literacy entails knowing financial concepts and services (Singla & Mallik, 2021).

Although there is an extensive body of work on financial literacy, there has been lesser focus on how individuals obtain and utilise financial literacy.

Delavande, Rohwedder, and Willis’ (2008) have viewed financial knowledge as a form of human capital. According to this model, individuals opt to invest in financial knowledge that allows them to identify and have access to higher-return assets and/or to appoint financial advisers who can help them decrease their investment expenses. Similarly, Hsu et al. (2011) examined financial knowledge acquisition within households, where husbands specialised in gaining such knowledge while wives increased their acquisition thereof when it became relevant (for example, just before being widowed). While Jappelli and Padula (2013) considered a two-period model, they also outlined a multi-period life cycle model where financial literacy is determined in an endogenous manner. The results suggested that generous

Social Security benefits reduce the incentive to accumulate and save wealth, resulting in less motivation to spend on financial literacy.

Although these studies contribute to theoretical understanding, they lack key elements found in current saving models, such as mortality risk, constraints of borrowing, returns on stock and health investment and earnings. Lusardi, Michaud and Mitchell (2011) addressed these limitations in their work, simulating a multi-period dynamic life cycle model that incorporates selection by individuals of both capital market investments and investments in financial knowledge. This allows for examination of the model's implications for wealth inequality and welfare.

In 2009 Hung, Parker, and Yoong presented a review of different operational and theoretical approaches to financial literacy, along with a definition and conceptual model of financial literacy. Their work contributes to the ongoing debate surrounding financial security, specifically for individuals lacking the necessary resources and skills to navigate market fluctuations effectively. The authors acknowledge that significant discussions surrounding financial literacy's role and the scope of the problem, as well as the most effective strategies to address it, are continuing. A key factor in this debate is the continued lack of consensus among researchers regarding financial literacy's definition and measurement. The findings of their research indicate that individuals with lower financial literacy levels might not be inclined to undertake recommended financial practices such as retirement planning.

White and Bowles (2017) used a conceptual framework that assessed financial wellness, the status of financial situations, financial attitudes, and financial behaviours. This author incorporated three of the four sub-concepts from Joo's (2008) conceptual framework (financial satisfaction, financial behaviour, and subjective perception), and did not use objective characteristics such as a participant's income. This research did not include the objective status because it was not part of the instrument or of exploring what can be done to provide financial management strategies to participants.

White and Bowles examined the financial wellness concepts of participants' financial knowledge, perceived confidence in financial matters, financial satisfaction, and financial behaviours. This research used the financial attitudes and satisfaction aspects by asking participants about their perceived belief in their financial outlook based on current level of debt. They used the participants' financial knowledge framework, by asking them about their current financial literacy knowledge and experiences in taking financial literacy courses, training, or seminars.

On another note, understanding the working of the stock market and other investments is important, as well as to differentiating between financial knowledge levels (Panos & Wilson, 2020). Participants in this study were probed on this aspect, and whether this type of knowledge has an impact on their financial decision-making. Undoubtedly, any specific collection of financial literacy indicators can only serve as an approximation of the knowledge individuals require to make optimal decisions in intertemporal financial decision-making models. Additionally, the presence of measurement errors and the potential discrepancy between responses and actual financial knowledge are valid concerns (Yildirim et al., 2017). These factors have significant implications for empirical research on financial literacy.

The conventional microeconomic perspective on decisions on consumption and saving assumes that well-informed and fully rational individuals will save a percentage of their income earnings when these are high to support their consumption during periods of lower income, such as retirement (Modigliani & Brumberg, 1954; Friedman, 1957). According to this view, individuals aim to optimise their saving and spending patterns to ensure a smooth experience of marginal utility throughout their lifetime. Numerous studies have highlighted the influence of consumer preferences (e.g. discount rates and risk aversion), economic conditions (e.g. liquidity constraints and investment returns), and social security benefits (e.g. welfare schemes) in shaping this life cycle optimisation process. However, it is to be noted that microeconomic models assume individuals possess the necessary capacity to engage in complex economic calculations and navigate financial markets, which is not the case for many people. Furthermore, obtaining such financial knowledge often comes with associated costs, such as the expense of participating in educational programmes (Goyal & Kumar, 2020).

Despite the rational choice of some individuals to make no or only little investment in financial knowledge, the model suggests that promoting financial literacy at an early age, such as through mandatory financial education in high schools, can still be socially optimal (Struckell, Patel & Oghazi, 2022). This is because even if those with the least education do not continue to invest in financial knowledge and let their knowledge wane, they can still benefit from higher returns on their savings, leading to significant improvements in welfare.

Several fundamental concepts underlie saving and investment decisions, including numeracy and the ability to determine interest rates, knowing about inflation, and comprehending diversification of risk. Quantifying these concepts into measurable financial literacy systems of measurement poses challenges, but Lusardi and Mitchell (2008, 2011a, 2011c) developed a standardised questions set to address these concepts, which have been employed in different surveys. This research draws inspiration from their work in the design of the data gathering instrument. The study of attitudes toward financial literacy is crucial within this study's context, as it is closely linked to overall financial practices.

3.4 THEORETICAL FRAMEWORK FOR FINANCIAL BEHAVIOUR

Regarding financial behaviour, Xiao (2008) defined it as human behaviour relating to money management. Goyal & Kumar (2020) suggested that the field of behavioural finance encompasses various aspects of financial decision-making, including the use of credit, cash, investment, and saving.

Financial literacy and financial behaviour theory are closely related because individuals' level of financial literacy can significantly impact their financial behaviours.

Financial behaviour theory examines various cognitive biases and heuristics that can influence decision-making. These biases, such as loss aversion, overconfidence, and mental accounting, can lead individuals to make suboptimal financial decisions. Financial literacy can help individuals recognise and overcome these biases by providing them with the necessary knowledge and tools to make more informed choices.

Financial behaviour theory recognises that individuals may have different perceptions of risk and may exhibit varying risk-taking behaviours. Financial literacy can help individuals better understand financial risks, evaluate their risk tolerance, and develop appropriate risk management strategies. By increasing financial literacy, individuals can make more informed decisions regarding investment choices, insurance coverage, and overall risk management.

Financial literacy is crucial for effective savings and budgeting behaviours. Individuals with higher levels of financial literacy are more likely to develop and follow budgeting plans, set aside savings, and make informed decisions about spending and saving priorities. Financial behaviour theory explores the psychological factors that may influence individuals' saving and spending habits and highlights the importance of financial literacy in promoting positive financial behaviours.

Financial behaviour theory recognizes the role of attitudes, beliefs, and decision-making processes in managing debt. Individuals with low levels of financial literacy may struggle with debt management, such as high-interest credit card debt or excessive borrowing. Financial literacy programmes can provide individuals with the knowledge and skills to effectively manage debt, make informed borrowing decisions, and develop strategies for debt repayment.

Financial behaviour theory and financial literacy are intertwined as they both examine how individuals' psychological and behavioural factors impact their financial decision-making and behaviours. Financial literacy plays a crucial role in mitigating biases, improving risk management, promoting responsible savings and budgeting, and enhancing debt management skills, all of which contribute to more informed and effective financial behaviours.

Behavioural finance acknowledges that individuals do not always make rational or optimal financial decisions, and seeks to understand the psychological, cognitive, and emotional factors that influence financial behaviours.

When it comes to the use of credit, behavioural finance recognises that individuals may exhibit biases or irrational tendencies in their borrowing decisions. These biases can lead to suboptimal choices such as taking on excessive debt, making impulsive purchases, or underestimating the true cost of borrowing.

In terms of cash management, behavioural finance explores how individuals handle their day-to-day finances and make decisions about spending, budgeting, and saving. It considers factors such as the propensity to save, impulse buying, and the influence of social and psychological factors on spending habits.

Investment behaviour is another area of focus within behavioural finance. It examines how individuals make investment decisions, including asset allocation, portfolio diversification, and risk tolerance. Behavioural finance recognises that emotions, cognitive biases, and herd behaviour can impact investment choices and lead to suboptimal outcomes.

Finally, behavioural finance considers saving behaviour and explores why individuals may struggle with saving for the future or fail to reach their saving goals. It looks at factors such as present bias, lack of self-control, and the influence of social norms on saving behaviour.

Behavioural finance can broaden our understanding of financial decision-making by recognizing the role of psychological and behavioural factors. By studying how individuals behave in real-world financial situations, researchers and practitioners can develop strategies and interventions to help individuals make better financial choices and improve their financial wellbeing. As discovered by economic psychologists, certain human psychological behaviour patterns impact individuals' financial behaviours. Personal finance is an interdisciplinary subject which derives its context from areas such as family studies, economics, psychology, and sociology. Financial behaviour has been studies by consumer economists for the last few decades; for example, Fitzsimmons et al. (1993) did a study on financial behaviour from the 70's to the 90's.

Adil, Singh, and Ansari (2022) proposed that individuals seek to maximise their utility by making choices between consumption and investment over time, guided by traditional wealth criteria. Utility refers to the satisfaction or wellbeing that individuals derive from consuming goods and services.

In the context of financial decision-making, individuals typically face trade-offs between immediate consumption and long-term investment. They must allocate their resources and make choices about how much to consume now and how much to save or invest for the future. Traditional wealth criteria, such as maximising net worth or accumulating financial assets, are often considered as important factors in these decisions.

For example, individuals may prioritise saving and investing their income in order to accumulate wealth and build financial security for the future. They may consider factors such as expected returns, risk tolerance, and time horizon when making investment decisions. By allocating their resources towards investment, individuals aim to increase their wealth and achieve long-term financial goals.

On the other hand, individuals also have present consumption needs and desires. They may choose to spend their income on immediate consumption goods and experiences, seeking immediate gratification and enjoyment. This choice involves balancing current enjoyment against the potential benefits of saving and investment.

Adil, Singh and Ansari (2022) suggested that individuals make financial decisions with the objective of maximizing their utility, taking into account traditional wealth criteria. These decisions involve weighing the trade-offs between present consumption and future investment, and individuals may make choices based on their preferences, financial goals, and individual circumstances.

This perspective suggested that they strive to make optimal decisions maximising expected private utility, guided by consistent preferences that remain stable over time and are independent of specific contextual factors.

Some empirical research conducted in the 1970s began to shift focus towards the individual investor, revealing that assumptions of traditional economic utility theory do not fully capture the reality of human behaviour in everyday life. Economists have acknowledged that these assumptions were never intended to perfectly reflect actual human behaviour, but rather to provide empirical approximations for analysis and modelling purposes. The assumptions of absolute rationality and the notion of homo economicus have been challenged by behavioural economics and behavioural finance. These disciplines recognise that individuals do not always make purely rational decisions in their economic and financial behaviour.

Behavioural economics explored the ways in which individuals' cognitive biases, heuristics, emotions, and social influences shape their decision-making processes. It acknowledges that people often deviate from the assumptions of perfect rationality and make systematic errors in judgment and decision-making. Behavioural finance, specifically within the context of financial decision-making, examines how psychological factors influence investment choices, risk perception, and market dynamics. It recognises that individuals may not always act in their own best financial interest due to various behavioural biases and tendencies.

Both behavioural economics and behavioural finance provide theoretical frameworks that consider the limitations of rationality and highlight the importance of understanding human behaviour in economic and financial contexts. These disciplines have contributed valuable insights into understanding why individuals may exhibit biases, engage in suboptimal decision-making, or behave in ways that are inconsistent with traditional economic models.

By incorporating insights from behavioural economics and behavioural finance, policymakers, educators, and financial institutions can design interventions, educational programmes, and policies that account for the ways in which individuals actually make decisions. This can help promote better financial outcomes and empower individuals to make choices that align with their long-term financial wellbeing. The emergence of behavioural economics and behavioural finance has provided alternative theoretical frameworks that challenge the assumptions of absolute rationality and acknowledge the complex and often imperfect nature of human decision-making in economic and financial contexts.

3.5 GOAL-SETTING THEORY

Edwin Locke (1968) proposed the goal-setting theory of motivation, stating that goal setting is an essential element in and should be linked to any measure of task performance. This theory explains that it is not only the specific goals, but also those which challenge individuals to achieve something addition to the specific goals, along with appropriate feedback, that contribute to higher and better performance of tasks. Work on the theory of goal setting suggests that it is effective for making progress, by ensuring that group members with a common goal are aware of what is expected from them to achieve the objective. At individual level the setting of goals that allows people to specify what tasks need to be performed to achieve their own objectives and/or goals. Goal-setting theory is the most useful and valid motivation theory – not only in industrial and organisational psychology and organisational behaviour and human resource management, but also in the field of financial behaviour.

Goal-setting theory is highly relevant to financial literacy as it provides insights into how goal-setting can influence individuals' financial behaviours and outcomes. According to goal-setting theory, setting specific and challenging goals can motivate individuals to exert effort and adopt behaviours that lead to goal achievement.

In the context of financial literacy, individuals may set various financial goals such as saving for retirement, paying off debt, or achieving a certain level of financial stability. By setting specific and challenging goals, individuals can enhance their motivation and focus on taking actions that align with their financial objectives.

Financial literacy plays a crucial role in goal-setting for financial wellbeing. When individuals are financially literate, they have a better understanding of financial concepts, products, and strategies, which enables them to set more informed and realistic financial goals. Financial literacy empowers individuals to make informed decisions, allocate resources effectively, and take steps towards achieving their financial aspirations.

Moreover, financial literacy can enhance individuals' goal-setting capabilities by equipping them with the necessary knowledge and skills to plan, track, and adjust their financial goals. Financially literate individuals are more likely to develop a systematic approach to goal-setting, establish realistic timelines, and monitor their progress towards their financial objectives.

Additionally, financial education programmes that incorporate goal-setting strategies can be effective in improving financial literacy outcomes. These programmes can provide individuals with the tools and techniques to set meaningful financial goals, develop action plans, and overcome obstacles along the way. By integrating goal-setting principles into financial education initiatives, individuals can gain a sense of control and empowerment over their financial lives.

Goal-setting theory and financial literacy are interconnected concepts that mutually influence each other. Financial literacy enhances individuals' ability to set meaningful and realistic financial goals, while goal-setting strategies can motivate individuals to acquire and apply financial knowledge and skills. By leveraging goal-setting theory in financial literacy initiatives, individuals can be empowered to make informed financial decisions, pursue their financial goals, and ultimately improve their financial wellbeing.

3.5.1 Human ecological model

Bronfrenbrenner's (1979) human ecological model portrayed individuals as dynamic elements that both shape and are shaped by their interactions within larger interdependent systems. This ecological environment comprises four fundamental systems: the microsystem, mesosystem, exosystem, and macrosystem. The microsystem encompasses immediate relationships such as family, classmates, friends, colleagues and members of faith communities. The mesosystem recognises the interplay among different elements within the microsystem and with other systems. The exosystem includes groups, organisations, or entities that influence the microsystem. Lastly, the macrosystem encompasses overarching cultural values, personal and social circumstances, political ideologies, and market and economic conditions that surround and affect the other systems. Research on financial behaviour indicates that the human ecological model indeed influences the decision-making processes of families and the reciprocal interactions between families and their environments.

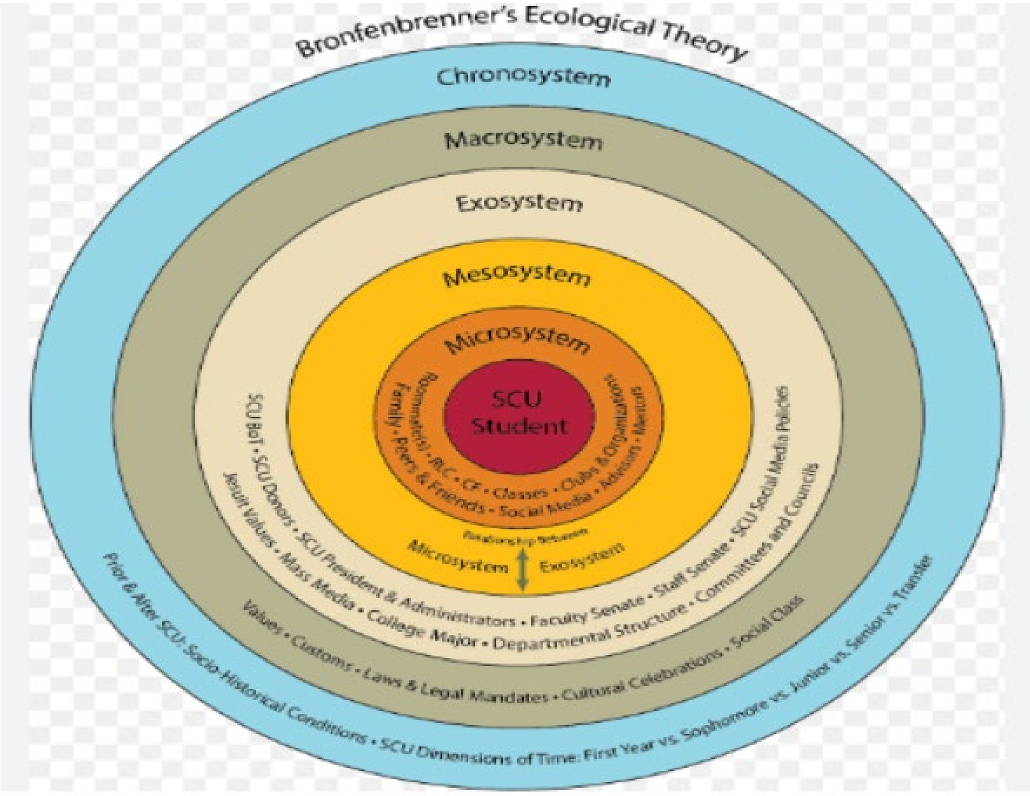


Figure 1: Human ecological model

Source: Bronfrenbrenner (1979)

3.5.2 Family management systems

Deacon and Firebaugh (1988) employed the human ecological model and systems theory to contextualise understanding of the goal-directed behaviour of families. Systems theory encompasses key elements such as inputs, throughputs, and outputs. In the realm of family systems, resources and demands are introduced as inputs into the managerial subsystem. Throughputs refer to the activities families use to assess their demands, evaluate available resources, and work toward achieving certain goals. Outputs involve the formulation and implementation of a specific sequence of actions to accomplish the desired goal, while feedback provides information that informs different parts of the system. This managerial process outlined by Deacon and Firebaugh is similar to the investment decision-making process underlying financial planning, including goal setting, data gathering, information analysis, plan development, plan execution, and monitoring of progress.

Researchers often adopt systems theory as a theoretical framework to explore financial decision-making and resource management practices (Goldsmith, 2005). Systems theory examines the flow of inputs, throughputs, outputs, and feedback in a flowchart model. This study uses the family resource management theory to examine and understand the level of financial literacy among adult Mauritians and how decision-making is shaped by their financial knowledge, practices and opinions. Additionally, the social learning theory proposed by Bandura (2018) complemented the family resource management theory to enhance understanding of the research topic.

Goldsmith (2005) stated that family resource management theory was proposed by Deacon and Firebaugh (1981) as a managerial process that involved achieving goals through the use of resources. The family resource management model encompasses four steps that elucidate how individuals develop financial behaviours and make financial decisions: inputs, throughputs, outputs, and feedback loops. These are illustrated in the accompanying figure, and are explained in terms of how they fit the model for this study.

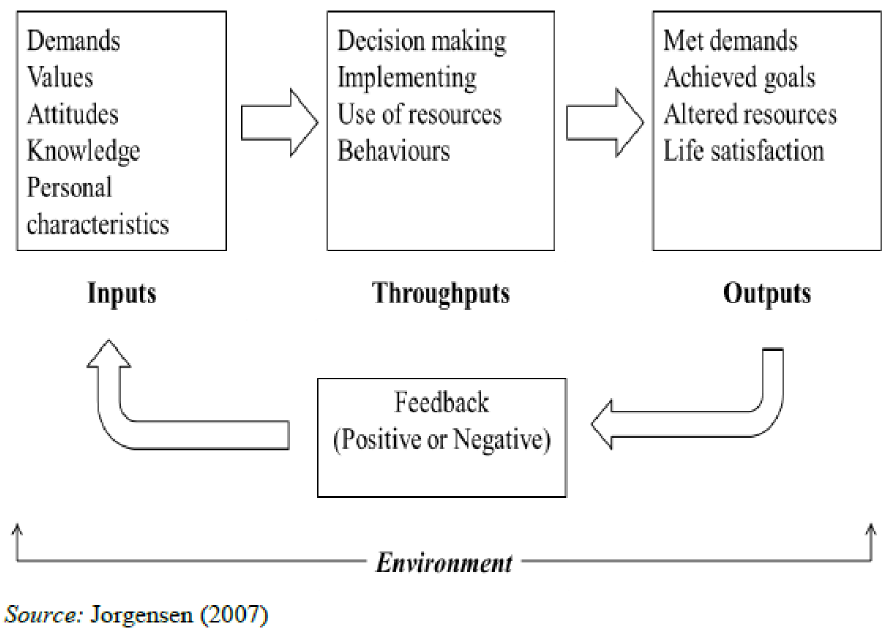


Figure 2: Family resource management model

3.5.2.1 Inputs

The input stage of the family resource management model, indicates an individual's resources (Goldsmith, 2005), including value, demand, knowledge and attitude. In order to have a good judgement of financial issues, have sound personal finance practices and make correct decisions from financial alternatives, the basic resource that an individual needs is financial knowledge. Hence, in this study financial literacy is critically examined as the input.

3.5.4.2 Throughputs

The second phase is throughput, according to which decisions depend on the resources that an individual has at his disposal. These include planification, implementation, communication, decision making and resource utilisation (Goldsmith, 2005). The throughput phase in this study reflects adult Mauritians' financial practices, opinions and decision making which optimise use of financial knowledge as a resource from the inputs phase.

3.5.4.3 Outputs

Outputs, as the third phase examines achievement of the desired goal, and refers to the outcomes that result, based on the individual's decision. Rice and Tucker (1986) considered "the final output is the satisfaction or dissatisfaction with the quality of life produced by the solutions generated in response to demands and resource inputs". To measure outputs, longitudinal data is required. Rather than being longitudinal, this study is mostly cross-sectional but the output phase has been reviewed and adapted to include cross-sectional data to measure outputs, adding to the contribution of this research in paving the way to a revised model

3.5.4.4 Feedback

The fourth stage is feedback, and Rice and Tucker (1986) opined that this is constantly used at all stages of the system. Feedback results from imbalance in an individual's life (Goldsmith, 2005; Dewi et al., 2020), which can be brought about by non-achievement of goals. Feedback relates to input through increased knowledge. The process occurs again due to new resources as individuals use them for decision making, with the expectation of an output that will bring satisfaction and equilibrium as per Goldsmith (2005).

3.5.3 Determinants and sources of financial knowledge

In order to meet this study's objectives, it was important to also consider sources/determinants of financial literacy. Review of literature in Chapter 2 revealed that acquisition of financial knowledge is made through and linked with characteristics such as gender, education, experience, and so on. The basic characteristics of Mauritian adults are therefore included at the first phase of this study's model.

Also, variables in relation to exposure were included as forming part of the sources of financial knowledge, based on social theory (Lyons & Kass-Hanna, 2021). According to Lyons and Kass-Hanna (2021), exposure to financial information from multiple sources can contribute to individuals' financial knowledge in several ways. First, it provides individuals with opportunities to learn about financial concepts, products, and strategies. Exposure to formal financial education programmes, for example, can equip individuals with the necessary knowledge and skills to make informed financial decisions.

Second, exposure to different sources of financial information allows individuals to access diverse perspectives and viewpoints. This can help individuals develop a broader understanding of financial concepts and practices, as well as consider multiple perspectives when making financial decisions.

Lastly, exposure to financial information can also influence individuals' attitudes, beliefs, and behaviours related to personal finance. Regular exposure to positive financial messages and success stories, for instance, may foster a positive financial mindset and encourage individuals to engage in responsible financial behaviours. Learning is mostly a cognitive process according to the social learning theory. This learning normally occurs in social contexts, and may happen by direct instruction or observation, even in the absence of direct reinforcement or reproduction. The social learning is the basis which explains the way adult Mauritians gain financial knowledge through influences in their immediate environment like the family and neighbourhood etc, which demonstrates that learning also happens socially. Bubolz and Sontag (2009) consider that the church, school, family and media all have an influence on knowledge. These exposure variables have also been included in this study.

3.6 THE THEORY OF ADULT EDUCATION AND FINANCIAL LITERACY

Knowles (1980) considered andragogy as the art and science of adult learning, and it also refers to any form of adult learning (Kearsley, 2010). Andragogy, as applied to the context of financial literacy is explored in this study of how adult learning concepts can be applied to develop this life skill.

Many crucial contributions to the field of adult education have been made by Freire (1970), as outlined in Chapter 2. For Freire, learning happens through people's own transformative actions. This can be applied to acquisition of financial literacy as a learning process which can ultimately enable individuals to make effective financial decisions.

According to Nyerere (1978), adult education increased the understanding of people and helps them in their decision making and implementation of same. Adult education is also linked to community education, with communities providing social membership or reinforcement. Learning communities encourage common goals including instructional tasks as per Moller (1998). This induces the necessary conditions for learners to be prepared to learn as per Maslow (1954). As Duckworth (2001, p. 185) explained, adults develop ideas "through construction on the basis of currently held ideas", and try to derive meaning of their lives as per Mezirow (1997). Indeed, the implication of utilising adult learning models in financial education is that adults can enhance their knowledge, skills, and understanding of personal finance more effectively. Adult learning models recognise that adults have unique characteristics and learning preferences that differ from children and adolescents. By incorporating these models into financial education programmes, instructors can tailor their teaching methods to meet the specific needs and preferences of adult learners.

Adult learning models emphasise the importance of relevance, practicality, and real-life application of knowledge. Adults are more motivated to learn when they can see the direct relevance of the subject matter to their own lives and goals. Therefore, financial education programmes that focus on teaching practical financial skills and concepts that are directly applicable to adults' everyday lives can be more engaging and effective.

Additionally, adult learning models recognise that adults bring a wealth of prior experiences and knowledge to the learning process. By building upon adults' existing knowledge and experiences, financial education programmes can help adults connect new information to their prior understanding and make the learning process more meaningful and impactful.

Moreover, adult learning models emphasise the importance of active and participatory learning methods. Adults learn best when they are actively engaged in the learning process, rather than passively receiving information. Interactive activities, group discussions, case studies, and practical exercises can all be incorporated into financial education programmes to promote active learning and encourage adults to apply their knowledge in real-world scenarios.

By applying adult learning models in financial education, instructors can help adults develop a deeper understanding of personal finance, increase their confidence in managing their financial affairs, and enhance their overall financial aptitude. This approach recognises the unique needs and preferences of adult learners and empowers them to take control of their financial lives.

3.7 RELEVANCE TO THE STUDY

In the application of andragogy to this study, we must remember the different assumptions of adult learner experience, self-concept, learning orientation, learning readiness and learning motivation, proposed by Knowles (1980), as outlined in section 2.8.

Knowles (1984) also showed how andragogy principles can be applied to the design of specific training, stating that there is a need to explain the benefits of learning, and that instruction should be focused on task orientation instead of memorisation. The different backgrounds of learners should also be considered as well as activities and materials. Owing to their self-directions Knowles concluded that learners can discover things and acquire knowledge through instruction, but guidance should be offered to them especially in case of mistakes. This may be applicable to the use of finances at specific points in time.

Financial decision-making is often complex, and the incorrect choices may have dire material effects (Loerwald & Stemmann, 2016). Financially literate people have been described as those who can manage debt while making financial decisions reflecting their personal values (Stone, Wier & Bryant, 2008). Kozup and Hogarth (2008) are more pragmatic, and believed decision-making skill to be a core competency in financial literacy.

Baumann and Hall (2012) argued that financial literacy should be rooted in the needs of the individual rather than solely focusing on consumption. They suggest that a comprehensive approach to financial literacy should go beyond basic knowledge of financial concepts and should address the specific needs and goals of individuals.

They emphasise that financial literacy should not be limited to understanding how to manage money for immediate consumption or making purchasing decisions. Instead, it should encompass a broader understanding of personal finance that considers long-term financial goals, such as saving for retirement, investing, managing debt, and planning for emergencies.

By focusing on the individual's needs, financial literacy programmes can provide practical and relevant information that helps individuals make informed financial decisions that align with their unique circumstances and aspirations. This approach recognises that financial literacy is not a one-size-fits-all concept, and it should be tailored to meet the specific needs and goals of individuals.

Their perspective highlights the importance of financial literacy as a means of empowering individuals to take control of their financial wellbeing and make choices that align with their values and priorities. It acknowledges that financial decisions are deeply personal and can have a significant impact on individuals' lives and overall financial security.

Baumann and Hall argued that financial literacy should be grounded in the needs of the individual rather than solely focusing on consumption. By addressing the specific financial needs and goals of individuals, financial literacy programmes can provide practical and relevant knowledge to empower individuals to make informed financial decisions that support their long-term financial wellbeing.

The learner-centric approach in adult learning can be highly effective in financial education. Traditional classroom settings may not always cater to the diverse needs and backgrounds of adult learners, especially those with limited financial resources. By adopting a learner-centric approach, financial education programmes can be more flexible, engaging, and tailored to the specific needs and circumstances of adult learners.

In a learner-centric approach, the focus is on the individual learner and their unique goals, challenges, and prior knowledge. This approach recognises that adults have different learning styles, preferences, and life experiences. Instead of relying solely on lectures and standardised content, learner-centric financial education programmes can incorporate a variety of interactive and participatory activities.

By engaging participants in discussions, case studies, simulations, and real-world exercises, learners can actively apply their knowledge to practical financial situations. This hands-on approach not only enhances understanding but also fosters critical thinking and problem-solving skills.

Furthermore, learner-centric financial education programmes can provide greater flexibility in terms of scheduling and content delivery. This is particularly beneficial for individuals with limited resources who may face time constraints or other barriers to attending traditional classes. Offering alternative formats such as online courses, self-paced modules, or blended learning approaches can make financial education more accessible and accommodating to learners with diverse needs.

Importantly, a learner-centric approach recognises the motivational aspects of learning. By aligning the content and activities with learners' interests, goals, and values, financial education programmes can inspire and motivate individuals to take control of their financial lives. This approach empowers learners to make informed decisions, develop positive financial behaviours, and ultimately improve their financial wellbeing.

Adopting a learner-centric approach in financial education can create a more inclusive, flexible, and motivating learning environment. It recognizes the unique circumstances and needs of adult learners, particularly those with limited resources, and empowers them to take charge of their financial futures.

3.8 SOCIAL CONSTRUCTIVIST APPROACH TO FINANCIAL LITERACY

The social constructivist theory according to Vygotsky (1968) emphasised that learning occurs through the support and collaboration of others. It suggests that individuals create meaning and construct knowledge through social interactions and learning with others. This theory recognised that learners bring their existing knowledge and understanding into the learning process and that knowledge acquisition should be a personalised and individually constructed process.

According to Berger and Luckmann (1966) knowledge, reality and learning are foundational elements of social constructivism. Through interactions with others, individuals construct shared understandings that shape social meanings and realities. Conversely, existing social meanings and realities significantly influence individual experiences. Green (1990) considered that people continually absorb information from their surroundings and adjust their understanding to align with the world around them.

The application of social constructivism is crucial in this study, as it aims to explore individuals' learning outcomes in diverse social environments. Social constructivism is a valuable theoretical framework for understanding the role of social environments in shaping individuals' learning outcomes, especially in the context of financial education. Social constructivism posits that knowledge is actively constructed by individuals through their interactions with the social and cultural environment.

In the context of personal finance, individuals' learning outcomes and processes are influenced by their social environments, which encompass various social interactions, norms, beliefs, and attitudes related to money management and financial decision-making. These social factors can significantly shape individuals' understanding, behaviours, and attitudes towards personal finance.

By applying a social constructivist perspective in the study of financial education, researchers can explore how individuals' knowledge is shaped and re-shaped within specific social contexts. This approach acknowledges that learning is not an isolated and individualistic process but rather a social and collaborative one.

Understanding the social environment and its impact on learning outcomes is crucial for designing effective financial education programmes. By considering individuals' diverse sets of habits, beliefs, and attitudes regarding personal finance, educators and policymakers can tailor interventions to better meet the specific needs and challenges faced by learners.

Moreover, the application of social constructivism in the study of financial education can shed light on the role of social interactions, such as peer learning, family dynamics, and community support, in facilitating knowledge acquisition and behaviour change. It can help identify the social mechanisms and processes through which individuals learn from each other, challenge their existing beliefs, and develop new financial competencies.

Integrating social constructivism in the study of financial education recognises the importance of social environments in shaping individuals' learning outcomes. It emphasizes the role of social interactions, cultural norms, and shared experiences in the construction and transformation of knowledge. By considering the social context, researchers and practitioners can develop more contextually relevant and effective financial education interventions.

Financial literacy pertains to how individuals learn to navigate their financial challenges, and draws key insights from adult education theory. Learning theories are categorised as humanist, behaviourist, cognitivist, social cognitivist, and constructivist, highlighting the constructivist nature of much adult learning theory. From a social constructivist perspective, Breitstein and Dini (2011) argued that from the perception of the money both individually and collectively is heavily impacted by the social context in which the economic transactions are situated. This perception attains a level of 'objectivity' that significantly shapes human behaviour.

According to Berger & Luckmann, (1966), learning, knowledge and reality are fundamental concepts within social constructivism. Interactions among individuals contribute to the formation of shared understandings that shape social meanings and realities. Simultaneously, existing social meanings and realities exert a significant influence on individual experiences.

Likewise, pragmatism emphasises learning through practical engagement and application, including in the areas of financial management and decision-making (Berger & Luckmann, 1966).

As pointed out by Klein (2007), most financial literacy programmes were developed without sufficient consideration of inclusive learning environments, adult learning theory and teaching which is culturally responsive. They have been mostly grounded in consumption theories, behavioural modification models or financial risk investment models as per Lyons and Neelakantan (2008)

Taylor, Tisdell, and Sprow (2010) highlighted that most studies on financial literacy programmes primarily focus on programme content and effectiveness, overlooking the unique needs of the populations being served. They also note that many financial literacy educators rely on standardised or ‘canned’ curriculum programmes, which do not pay attention to pedagogy that addresses diverse needs in a culturally responsive way.

In educational research, Creswell and Clark (2007) argued that researchers require a diverse range of designs and methods for research problems of an interdisciplinary and complex nature. Addressing these requires the accumulation of substantial evidence by measurement using specific questions and a more general assessment via open-ended inquiries. Therefore, this study will adopt a mixed methodology, incorporating various instruments such as questionnaires and semi-structured interviews to fulfil its objectives.

3.9 FINANCIAL INCLUSION

Henchoz (2016) suggested that both financial learning and action require consideration of social context and relations. Consequently, merely focusing on financial information is not sufficient. From the social justice agenda, Allen and Asli-Demirgurc (2016) found that greater financial inclusion is associated with lower account costs, greater proximity to financial intermediaries, stronger legal rights, and more politically stable environments. Bhanot, Bapat and Bera, (2012) explored the factors which are crucial in determining the extent of financial inclusion in geographically remote areas and tried to provide suggestions of measures for banks to tap unexplored markets. Considering the case of North-East India, the authors found that the level of financial inclusion remains very low. Income, financial information from various channels and awareness of self help groups, and education are influential factors leading to inclusion while proximity to post office banks increases the likelihood of inclusion.

Cole and Shastry (2009) researched the correlates and determinants of financial participation on financial literacy and found that the relationship between education and savings is difficult to measure, because both are affected by many factors (for example motivation and ability). There is an important causal relationship between education and financial market participation. The report also found that a set of financial literacy education programmes, mandated by state government, did not have an effect on individual savings decisions and that it is imperative to conduct rigorous evaluations of financial literacy education programmess to measure their efficacy.

3.10 FINANCIAL LITERACY AND FINANCIAL INCLUSION

Among the authors/researchers who have explored the link between financial literacy and financial inclusion, Ramakrishnan (2012) viewed financial literacy as the first step towards achieving financial inclusion, stating that financial literacy can be seen as the demand side of financial inclusion as is considered an important adjunct for promoting financial inclusion, financial development and ultimately financial stability. Gupta and Singh (2013) studied the impact of the literacy rate on financial inclusion among the different states of India. The results showed that literacy had an insignificant impact on financial inclusion. For Bay, Catasus and Johed (2014), the financial literacy movement goes hand in hand with the financialisation of society.

3.11 CONCLUSION

Behavioural theories offer a good lens through which to view financial literacy. The different models explored provide an efficient grounding from a theorical perspective to explain the motivational influences underlying financial behaviour and decision-making. Adult learning theory, and social constructivism and pragmatism as sub-theories, offer a promising way to explore cognitive aspects of learning, and can possibly answer any question that is usually asked in financial literacy research. These will be applied in the Mauritian context to learn about the processes and experiences of adult learners.

This chapter provided the theoretical grounding for financial literacy research in the given context and explored behavioural theories along with the goal-setting theory, human ecological model, family management systems and other theories related to andragogy and adult education. A discussion of the social constructivist and pragmatist approaches to financial literacy ended this chapter.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter describes the research approach used in seeking to deepen the understanding of financial literacy, how it impacts on financial decision-making, and how it can ultimately enable financial inclusion. The methodology that was used (mixed methodology) is detailed, considering the relevant methodological approaches adopted in the field that are relevant to this study.

Use of quantitative research methods is then detailed, followed by a description of the research quantitative instruments linked to the different research questions, and an overview of additional research tools. Data preparation, analysis to be conducted and restrictions are explored. Next, the use of qualitative research methods is extensively discussed, as are the relevant qualitative research instruments linked to the different research questions. Finally, an overview of methodology and a summary of the chapter are provided.

4.2 USE OF MIXED METHODOLOGY

Both qualitative and quantitative methods have been used to measure the understanding of financial literacy of the adult Mauritian respondents.

4.2.1 Research Paradigm - Pragmatism

The pragmatism research paradigm has been preferred for this mixed methods research as its supports an appropriate academic stance (Maxcy, 2003; Morgan, 2007). It allows orienting the research towards solving pragmatic problems in the real world which is precisely the case for this research where avenues are prosed to enhance the financial literacy level of Mauritians in order to enable them better comprehend the financial concepts and issues they are confronted in their everyday life. Feilzer (2010), pragmatism allows real life solutions rather than relying on assumptions on the nature of knowledge.

4.2.2 Concurrent mixed-method design

Mixed-methods research has been extensively used in disciplines that aim at explaining social phenomena and behaviour as per Cheng & Dörnyei (2007), including for financial literacy. This includes a mix of qualitative methods, a mix of quantitative methods or a mix of both quantitative and qualitative methods. The mixed-methods approach most popularly employed is a mix of the two types, often based on different research paradigms. The transition from quantitative to qualitative data analysis is achieved through a concurrent design comparing and contrasting the results of the two methods to provide evidence (Creswell & Zhang, 2009). Typically, different types of data are used in mix method research, but it may also involve using different methods and applying them to the same data (Jimarkon & Todd, 2018).

A quantitative design supplemented by a qualitative design allowed a more holistic approach to the analysis. The quantity of data suggests that patterns are more likely to be highlighted by a quantitative approach, and make framing of analysis possible, grouping and subgrouping of data, and focus on primary characteristics. Mixed methods, when used together can offer "a complete evaluation of … deliberative potentialities" (Janssen & Kies, 2004).

In order to combine both quantitative and qualitative methods, the research cycle was utilised in making assumptions, generation and hypotheses testing, implementing the research design, carrying out analysis and making inferences – using the two different paradigms. Using mixed methods allowed me to acquire the methodological skills to handle analysis of both sets of data. The concurrent mixed methodology approached since it allowed collection of data from the quantitative and qualitative research instruments. It is not imperative to allow for one data collection exercise (interview questionnaire to be fully completed before engaging with a second data gathering exercise (qualitative interviews). This advantage of the concurrent mixed methods approach ensured that the researcher had sufficient time to devote towards collecting the whole of the data, irrespective of the data-gathering instrument used.

4.2.3 Purposive sampling

A purposive sample for interviews was selected from the quantitative sample. Babbie and Mouton (2007) opine that purposive sampling is a model of non-probability sampling which is based on the researcher's knowledge of the population. As I wanted respondents to elaborate on their quantitative responses, this method proved to be appropriate. The sample included six respondents, two of whom work in the private sector, one pensioner and three who work in the public sector. Unlike probability sampling, non-probability sampling does not focus on representing the population accurately but intends to generate insights from the subjective perspectives of members of associations who were selected to represent young people, young adults, elders of both genders, which constituted the main criterion for their selection.

4.3 METHODOLOGICAL APPROACHES RELEVANT TO THE STUDY

A survey questionnaire was designed to obtain quantitative data for this study. This method has also been used by researchers including Hatfalvi et al. (2016) to measure levels of financial literacy. The basis for Hatfalvi et al.'s (2016) survey was to gather input from students about their backgrounds, what they would like to learn, and personal finance knowledge. Surveys provided a quantitative way to collect data, while interviews helped to answer questions not addressed in the survey. Hatfalvi et al. (2016) also used interviews to collect qualitative data in the quest for answers to their research questions. All collected data was synthesised, conclusions were drawn from it and recommendations were offered for improvement and maintenance in order to achieve a better financial literacy educational programme.

Similarly, Remund (2010) used the USA Today/National Endowment for Financial Education (2006) survey as a reference instrument to assess young adults. The researcher's objective was to dissect the differing financial literacy definitions and measures, and gain a clearer definition in order to bring improvement to subsequent research and help individuals understand and adjust to changing event in a complex market environment.

Methodology and instruments assessed the extent at which financial concepts are understood and the level to which respondents feel that they have the confidence and ability to manage their finances.

The survey approach used aimed to ensure that the survey questions aligned with the conceptual definitions of financial literacy and captured key aspects of individuals' financial knowledge and behaviours.

By including questions related to budgeting, saving, borrowing, and investing, the survey aimed to assess participants' understanding and proficiency in these fundamental areas of personal finance. These topics are considered essential components of financial literacy, as they reflect the practical skills and knowledge needed to effectively manage one's finances.

Furthermore, a benchmark survey could provide a standardised tool for assessing financial literacy levels across different populations and allow for meaningful comparisons and evaluations. It could serve as a common baseline to measure the effectiveness of financial literacy programmes and initiatives, track changes in financial literacy over time, and identify areas that require further attention and improvement.

Having a benchmark survey could facilitate a more comprehensive understanding of the overall financial literacy levels within a population and help policymakers, educators, and researchers make informed decisions regarding the development and implementation of financial literacy initiatives. It would provide valuable insights into the specific areas of financial literacy that need to be addressed and enable the evaluation of the impact and effectiveness of interventions aimed at improving financial literacy.

The incorporation of the four common operational definitions of financial literacy in the survey design and the suggestion of developing a benchmark survey for all adults reflect efforts to ensure that the study captured key dimensions of financial literacy and provided a standardised tool for comparison and evaluation.

4.4 QUANTITATIVE RESEARCH METHODOLOGY

4.4.1 Use of a questionnaire

Questionnaires are normally used to obtain information from individuals, and include a group of written questions or statements, which normally consist of measurement scales according to Terre Blanche and Durrheim (1999). According to De Vos et al. (2011), the primary objective of a questionnaire is "to obtain facts and opinions about a phenomenon from people who are informed on the particular issue". A questionnaire was set up and used to obtain information on perceptions in relation to financial literacy from the surveyed population, who were adult Mauritians from the middle-income group.

The questionnaire was designed in such a way as to include major components of personal finance, including general knowledge, planning, savings, investments, and knowledge about financial literacy. A pilot study was also conducted to refine the questionnaire. Responses were used to compute correct scores consistent with practices in the existing literature (Danes & Hira, 1987; Volpe, Chen & Pavlicko, 1996).

4.4.2 Questionnaire design

Individuals' perception of financial literacy was assessed through the questionnaire. These individuals are in different decision-making categories and participate in different economic activities. The study's purpose and confidentiality assurance were conveyed to respondents through a covering note. Respondents were asked to provide personal information, including occupation and income, among others as a background.

The questionnaire comprised of three main sections relevant to the subject matter of the study. In section A, statements on the financial literacy concept are given. In section B, statements relevant to financial literacy and decision making are given while in section C statements on the use of financial information for decision making are given. Participants were given a note of consent to explain the purpose of the questionnaire and obtain their approval for participation.

Before distribution of the questionnaires, a pilot test was conducted, with 10 questionnaires distributed to interviewees who were earmarked after purposive sampling.

According to Cooper and Emory (1995), a pilot test is "conducted to detect weaknesses in design and instrumentation and provide proxy data for selection of a probability sample".

During the pilot study, participants were requested to well understand the statements, time taken for completion of the questionnaire and difficulties encountered while answering questions where applicable. Feedback obtained following the pilot were included in the final questionnaire.

4.4.3 Research strategy

The survey research strategy was adopted based on the study design. This has been the case for other financial literacy studies as well. (Chen & Volpe, 2002; Hastings & Mitchell, 2011; Lusardi, 2012; Ansong & Gyensare, 2012).

The survey questionnaire is a familiar and popular strategy in financial research. Survey questionnaires are widely used as they enable collection of large amounts of primary data from a big population in a cost-efficient manner as per Saunders et al. (2007).

For easy comparison, the data is standardised. The survey strategy is viewed as being comparatively easy to explain and to understand and authoritative as well according to Saunders et al. (2007).

Surveys offer several benefits, including the ability to collect data from a large sample size, cost-effectiveness, and the potential to generate findings representative of the whole population when appropriate sampling techniques are employed.

Quantitative analysis of survey data using descriptive and inferential statistics allows researchers to summarise and analyse the collected information efficiently. Descriptive statistics, such as measures of central tendency and variability, provide a clear understanding of the distribution and characteristics of the variables being examined. Inferential statistics, on the other hand, enable researchers to draw conclusions and make inferences about the larger population based on the collected sample data.

By employing statistical techniques, researchers can identify relationships between variables, determine the significance of these relationships, and develop predictive models or hypotheses. These analyses provide valuable insights into the associations and patterns within the data and help researchers understand the factors that may contribute to certain outcomes or behaviours.

Furthermore, surveys offer researchers a certain degree of control over the research process. Researchers can design the survey questions and select the sample size and composition according to their research objectives. This control allows for a focused investigation of specific variables or relationships of interest, providing more targeted insights into the research topic.

However, it is important to acknowledge that survey data has its limitations. It relies on self-reporting, which may introduce biases or inaccuracies in responses. Additionally, survey designs must carefully consider sampling techniques to ensure the sample is representative of the population of interest. It is also crucial to appropriately frame survey questions to ensure clarity and minimize potential respondent biases.

The use of surveys in research allows for efficient data collection, quantitative analysis, and the generation of findings representative of the larger population. The control over the research process and the ability to explore relationships between variables make surveys a valuable tool in research methodology. However, researchers should be mindful of the limitations and challenges associated with survey data collection and analysis.

This strategy was best suited for this study, in view of the large number of participants and sample size also since I pursued to gather data spanning aspects from respondents' knowledge of personal finance, to their financial opinions, decisions and practice as well as exposure to and knowledge of financial literacy. The research instrument was designed to contain quantifiable data that could allow me to answer the research questions and achieve the study's aims. Simple random sampling was employed to select participants for the data gathering exercise at hand.

4.4.4 Sample of the study

A study's population is the gathering of all individuals, measurements of interest or object. It can also be the full set of cases from which a sample is identified (Saunders et al., 2007). The sample of 200 for this study, which is representative of all the social and economic layers of Mauritian society included members of the following associations: the FSC staff union, Caitanya Saraswat Math Association, Seizieme Mille Senior Citizens Association, and the Bright Future Association.

4.4.5 Sample size and sampling technique

The entire population for a study cannot be studied, as it is difficult to gain access due to the population's size, as well as costs and time constraints. Representative samples are thus identified to meet this challenge (Saunders et al., 2007), as was the case in this study.

In this study, the sample size of 200 people was drawn from four associations in Mauritius which are representative of consumers of financial services of different ages, ethnicity, and income.

4.4.6 Data sources and collection methods

The basis of this research was primary data that was collected on the field and covered the main aspects of personal finance

. As mentioned above, the questionnaire had three main sections:

- Section A sought to obtain the respondents' demographic data, with specific questions on age and gender.
- Section B focused on testing the knowledge of respondents on basic issues related to personal finance. Questions related to awareness and use of financial services, seeking

financial advice, familiarity with the financial literacy concept, importance of financial literacy, budgeting saving, debt management and investment.

- Section C examined the level of awareness of financial literacy initiatives and their effectiveness. Respondents were invited to share their views on initiatives being undertaken by the government and other authorities in relation to financial literacy. They were also tested on their level of awareness in relation to regulatory authorities of the financial services sector in Mauritius, namely the Bank of Mauritius (BOM), regulator of the banking sector, and the Financial Services Commission (FSC), regulator of the non-banking sector. These authorities are mandated under law to carry out financial literacy initiatives in Mauritius.

4.4.7 Reliability and validity of data

According to the research conducted by Crocker and Algina (1986), validity of research instruments refers to its effectiveness in measuring what is intended. To ensure content and face validity, the research instruments used in previous studies by Chen and Volpe (1998) and Lusardi, Mitchell, and Curto (2010) were adapted. Supervisors also provided valuable input in questionnaire design. The feedback received covered aspects such as the instrument's ability to gather the required data for addressing the research questions, the appropriateness of the questions in measuring the constructs, and any potential additions needed to acquire the desired data. The questionnaire underwent a pilot study, and participant feedback was utilized to refine it for the main research study.

Reliability, as defined by Crocker and Algina (1986), refers to the consistency of an instrument's measurement over time and in different situations. Therefore, if the survey were to be taken multiple times, an individual's score should remain relatively consistent. To assess the reliability of the survey instrument, Cronbach's alpha was employed. This measure allowed for evaluation of the overall reliability and consistency of the scales within the survey instrument (Crocker & Algina, 1986). This study demonstrated sufficient reliability (Cronbach's Alpha value = 0.669) and validity (sig value=0.000)

	Number	**Percentage**
Valid	200	100
Excluded[a]	0	0

Total	200	100
Reliability statistics		
Cronbach's alpha	Cronbach's alpha based on standardised Items	N of items
0.632	0.669	22

4.4.8 Data collection

The questionnaire was designed in a way to assess financial literacy levels of people in Mauritius, and included a note explaining the study's purpose and guaranteeing confidentiality. The note of consent ensures that respondents understand the questionnaire's purpose, and provides an opportunity for them to indicate their consent for participation in the study.

The questionnaire comprised three main sections devoted to the central aspects of the study, as outlined in section 4.4.7 above. A portion of the questions in the questionnaire were adapted from the survey on financial literacy conducted by Lusardi and Mitchell in 2011. To assess participants' level of knowledge, their responses were scored based on the questionnaire, which utilized a 5-point Likert scale to measure familiarity with financial concepts and financial literacy initiatives, and challenges in financial management. Some questions involved multiple responses or a ranking scale.

4.4.9 Data analysis

Data analysis involves the process of condensing raw data into a manageable size, generating summaries, with the application of statistical inferences. In this study, the collected data was coded using the Statistical Package for Social Sciences (SPSS) version 25 computer software program. The quantitative data was analysed using descriptive and inferential statistical tools.

The findings obtained from the analysis are primarily presented in the form of charts and tables. To assess the respondents' financial literacy level, the mean percentage of correct scores was calculated for each question, section, and the entire survey. This measurement approach aligns with previous studies in the field (Danes & Hira, 1987; Volpe, Chen & Pavlicko, 1996; Chen & Volpe, 1998).

4.4.10 Phase 1 quantitative sample

Convenience sampling was used for the quantitative section of the study because it involves choosing the nearest individuals as participants (Cohen, Manion & Morrison, 2007); the associations mentioned, from which the respondents came, were easy to access and contact. All 200 participants were invited to participate in the study and were informed in writing and verbally that their participation would be completely on a voluntary basis. The objective of including 50 members per association was to get a larger sample. Another objective was to look for trends across a diverse range of consumers of financial services, which included those working in the public and private sectors and pensioners. Respondents received an informed consent form and provided approval for their response to be used for the purpose of the study. They were told that no information would be released to third parties in any way that linked specific individuals to specific responses. A summary of questionnaires dispatched and responses received is provided in the Appendices.

4.4.11 Analysis and interpretation of quantitative data

Data analysis for the quantitative component of the study was undertaken using SPSS version 25. Questionnaires received were assigned numbers to protect the respondent's identity. Raw data in each questionnaire were captured on an Excel spreadsheet and analysis of data was undertaken using descriptive and inferential statistics.

All questions were pre-coded. Every questionnaire was thoroughly checked and edited to ensure completeness. According to Cooper and Schindler (2006), coding means grouping and assigning numbers or symbols to various responses from the survey instrument in order to organise responses into a limited number of categories, while editing is checking raw data for errors and omissions made by either the interviewer or the respondent and correcting them where possible.

According to the authors, the role of the editor is crucial in ensuring the accuracy and consistency of the data. The editor ensures that the data is entered uniformly, meaning that it follows a consistent format and structure. The editor also checks for completeness, ensuring that no data is missing or omitted. Finally, the editor organizes the data in a way that simplifies the coding and tabulation processes, making it easier to analyse and interpret the collected data.

4.4.12 Questionnaire administration

The questionnaire was distributed in the presence of office-bearers of the associations that were contacted. To ensure confidentiality and anonymity, respondents were informed that their responses would be kept confidential and not personally identifiable. All distributed questionnaires were collected within a week. In cases where a questionnaire was not answered in full, it was not included in the analysis to prevent any potential bias.

4.4.13 Research Objectives

Researchers typically have two main scaling objectives. The first is to measure the participants' characteristics. The second is to utilise participants as judges, having them evaluate and provide feedback on the objects or indicators presented to them.

4.4.14 Response Types

Rating Scale: Participants are asked to score an object or indicator without directly comparing it to another attitude or object. A common example is a 5-point rating scale. According to Cohen, Manion, and Morrison (2007), rating scales are effective in capturing the attitudes, opinions and perceptions of respondents.

Multiple-Response Questions and Ranking Scale: This response type involves multiple-choice questions where respondents are instructed to verify all response options that are applicable to them. These questions are sometimes referred to as checklist questions.

1) Which of the following financial services are you aware of? You may select more than one answer.

☐ Savings Account
☐ Current Account
☐ Credit Card
☐ Investment Plan
☐ Retirement Plan
☐ Medical Insurance Plan
☐ Mobile Phone Banking
☐ Shares /Bonds / other securities capable of providing you monetary benefits
☐ Other

If other, please name it ________________________________

Figure 3: Example of a multiple-choice and ranking-scale question.

(Tick the most appropriate one)

1) What is your gender?

☐ Male ☐ Female

2) Select your age group

☐ 18 to 35 years ☐ 36 to 50 years ☐ >50 years

Figure 4: Categorisation, where participants put themselves or indicants in groups or categories.

4.5 RESEARCH INSTRUMENTS LINKED TO RESEARCH QUESTIONS

4.5.1 Research question one

Research question one is 'What is the state of financial literacy among the adult population of Mauritius?'.

For this question, the research instrument was a questionnaire adapted from the Finscope National Survey on Financial Inclusion (2014). This survey has been conducted by the Finmark Trust in Mauritius and was also conducted in several African countries (Tanzania, Zimbabwe, Rwanda, Zambia and Uganda). The survey questionnaire included both open-ended and closed-ended questions, and will guide us towards knowing the nature of financial choices made by adult Mauritians and their level of financial literacy. The target group is middle-income families, which were sampled from the four community associations that were contacted.

Two hundred questionnaires were distributed to the target population. There is a population of 1 265 740 in Mauritius (Statistics Mauritius, 2021), and the Raosoft sample size calculator was used to calculate the correct sample size for this study, to prevent biases. This sample size calculator is one of the most reliable and accurate statistical tools for sampling. It returned a minimum sample size of 151 with a confidence level of 95% and a common margin error of 8%. To round off and thus minimise any errors, the sample size of 200 individuals was retained.

4.5.2 Research question two

Research question two is 'How do Mauritians become financially literate?'.

To further analyse factors that influence families of the middle-income group in their decision-making process, a more qualitative approach was adopted for question two. Semi-structured interviews were conducted with a sample of six respondents from among those surveyed through the questionnaire, who were representative of the population being studied (i.e. from the middle-income group). A semi-structured interview can be used when studying issues in relation to financial literacy, as it allows for respondents to speak at length while respecting interview schedules (Hatfalvi et al., 2016). Use of a semi-structured interview schedule ensured that each respondent was presented with the same questions in the same order, while giving them the latitude to respond (Cox and McLeod, 2014). Answers can then be reliably aggregated and comparisons between respondents or groups made with confidence. Use of the semi-structured interview will build on and complement the quantitative data obtained from the questionnaire. Questions in the interview were carefully and precisely formulated regarding respondents' attitudes towards financial literacy and its use. Attitudes, perceptions and assumptions may vary according to the respondents' age group and socio-economic status, among other considerations.

4.5.3 Research question three

Research question three is 'How do such learning experiences influence financial decision-making?'.

For this question the semi-structured interviews were used to gather insights on different factors that influence adult Mauritians in making their financial decisions. Respondent samples from the quantitative segment were further refined through purposive sampling. Ongoing interpretation of data indicated who should be approached, and six respondents who might have a high predisposition to use financial literacy in their decision-making were invited to take participate in the semi-structured interviews. Typologies of decisions were mapped from there, in terms of how they use their money and savings, and whether they think about investing their money in financial services and products for their protection and wellbeing.

4.5.4 Research question four

Research question four is 'Why does acquisition of financial literacy happen in this particular way in Mauritius?'

For question four, responses obtained from the other methods were compared to existing literature and a position was developed on the link between the nature of financial decisions and the level of financial literacy. A thorough analysis of factors that influence financial decision-making and ultimately financial inclusion or exclusion was carried out.

4.6 ADDITIONAL RESEARCH TOOLS

4.6.1 Rating scales

All respondents were invited to communicate in the shared language of the specified options. This allowed for a discipline-specific dialogue on financial literacy through a defined format. The objective is to obtain a score (1–10) for the perceptions of respondents in relation to financial literacy and its use in everyday life, through Likert and other relevant scales. Data recorded in the pilot phase using the rating scales were checked for quality and reliability, and the scales were adjusted accordingly to maximise efficiency.

4.6.2 Attitude scales

How we think or feel about finances, which ultimately affects our behaviour toward them, is our financial attitude (Potrich et al 2018). Study of attitudes towards financial literacy is important in the context of this study, since it is linked to overall financial practices. The attitude scale employed here provides a valid or accurate measure of the respondents' attitude towards financial literacy.

Using attitude scales provided a quantitative measurement of attitudes, values or opinions, by summarising numerical scores given to responses to statements sets exploring different dimensions of financial literacy. As for the rating scales above, data recorded on the attitude scales in the pilot phase were checked for quality and reliability, and the attitude scales were adjusted accordingly to maximise efficiency.

4.6.3 Pilot study

All relevant instruments for generating appropriate data related to financial literacy were refined through the pilot study. The objective was to determine the ease of use and usefulness of the questionnaire for both the researcher and respondents, and to determine whether the questionnaires will render useful data. Where necessary, the questionnaire was amended accordingly. All earmarked instruments, procedures and processes were pilot tested with a restricted sample of respondents.

4.6.4 Research log sheets

Logging of data is pertinent, mostly at the beginning of research and in view of the complexity and diversity of data being produced. This is important in terms of the organisation of the data and respect for academic integrity. It also limits misquoting or plagiarising and confusion in the number of sources. Draft research log sheets were set up and relevant fields were checked in terms of data produced. Log sheets were finalised and relevant data was logged.

4.6.5 Interview schedules and guides

The interview schedule/guide is a list of questions which have been formulated to test the hypotheses and assumptions of the study. Questions regarding respondents' attitudes towards financial literacy and its use must be carefully and precisely formulated. Attitudes, perceptions and assumptions may vary according to the respondents' age group and socio-economic status, among other considerations. The questions that were formulated were tested on a pilot basis with a limited number of respondents.

4.6.6 Comparative tables

Comparative tables are an efficient instrument for mapping data and comparing information. This instrument was used extensively by the OECD/International Network on Financial Education in its policy handbook on National Strategies for Financial Education (2015).

Comparative tables are a very good way of recording and mapping data. They can be used to compare data obtained from different categories of respondents based on their socioeconomic background, age group, gender and other variables.

Comparative tables were drawn up based on the data that was obtained, after information was classified according to its quality and relevance to the study. Tables can be amended where necessary, to maximise efficient recording of data.

4.7 DATA PREPARATION

During the data preparation stage, each questionnaire was carefully examined to ensure that all statements were appropriately completed. Questionnaires that were deemed unusable, either due to incomplete statements or if the respondent chose a standard rating for all statements, were discarded.

To streamline the process of data capturing, all responses on the questionnaires were coded. This means that each response was assigned a numerical or categorical code for easier analysis. To ensure accuracy, the data captured was cross-checked against the original questionnaires to verify that the correct values for each variable were accurately captured.

Terre Blanche and Durrheim (1999) emphasize the importance of having "clean" data before conducting any statistical calculations. This involves identifying and rectifying any errors encountered during the data preparation stage, ensuring the data is reliable (Cronbach's Alpha Value of 0.669) and suitable for subsequent statistical analysis.

4.8 ANALYSIS OF DATA

In empirical research, the analysis and interpretation of survey data are crucial. Markus (2008) suggests that the purpose of analysis is to gain an understanding of the constitutive elements of the data by examining relationships between concepts, variables or constructs. This involves identifying patterns, trends, and themes that can emerge from the data.

The use of both descriptive and inferential analysis in the empirical survey provides a comprehensive approach to understanding decision-makers' perceptions of financial literacy. Descriptive analysis helps summarise and describe the data by examining the distribution of scores on each variable. This analysis allows researchers to identify patterns, trends, and central tendencies in the data, providing a clear picture of the respondents' perceptions.

Additionally, descriptive analysis can be used to explore relationships between different variables. By examining correlations or associations between variables, researchers can gain insights into how different factors may be related to decision-makers' perceptions of financial literacy.

Inferential analysis, on the other hand, goes beyond describing the sample data and allows researchers to make inferences or draw conclusions about the larger population based on the collected sample. Through inferential analysis, researchers can test hypotheses, determine the statistical significance of relationships, and generalise findings to the broader population.

By employing both descriptive and inferential analysis, researchers can gain a deeper understanding of decision-makers' perceptions of financial literacy. Descriptive analysis provides a detailed overview and characterisation of the data, while inferential analysis enables researchers to make broader claims and generalisations about the population.

Overall, the combination of descriptive and inferential analysis in the empirical survey allows researchers to explore decision-makers' perceptions of financial literacy in a comprehensive and statistically sound manner.

The analysis involved examining relationships between different economic sectors, levels of decision-making, and scoring patterns of the questionnaire statements. The latest version of

SPSS was used for the statistical analysis. The use of various statistical techniques in the analysis of the survey data provides a comprehensive understanding of the respondents' perceptions and allows for meaningful comparisons between different groups and variables.

Means and medians were calculated for each statement in the questionnaire's three sections, providing an overall measure of the respondents' agreement or disagreement with each statement. Descriptive statistics, such as frequency percentages, were used to summarise the response patterns to each statement, giving insights into the distribution of responses.

Cluster analysis was employed to group respondents and statements with similar response patterns. This technique helps identify distinct clusters or segments within the data, allowing for a better understanding of different groups of respondents and their specific perceptions.

Factor analysis was used to group statements and analyse intercorrelations between them. This technique identifies underlying factors or constructs that explain the common variance among the statements. It helps uncover the underlying structure of the data and can provide insights into different dimensions of the respondents' perceptions.

Hierarchical clustering diagrams (dendrograms) were created to visually represent the patterns of relationships between variables (Terre Blanche & Durrheim, 1999). These diagrams help identify clusters or groups of variables that have similar response patterns, providing a visual representation of the data's structure.

Analysis of variance (ANOVA) was employed to compare the mean responses of a factor among more than two groups of respondents. This statistical test allows researchers to determine if there are significant differences in the responses between different groups, such as different sociodemographic groups. The Chi-square statistic, on the other hand, was used to test for differences in responses among different sociodemographic groups. It examines the independence of association between two categorical random variables and assesses whether there are patterns of outcomes that are not due to chance.

By using a combination of these statistical techniques, researchers can gain a comprehensive understanding of the survey data, identify patterns and relationships, compare groups, and test hypotheses. This approach provides valuable insights into the respondents' perceptions and helps draw meaningful conclusions from the data.

A relevant quantitative study in the field conducted by Demirgüç-Kunt and Klapper (2013) involved interviewing 70,000 adults in 148 countries. The study examined how adults without formal accounts managed their financial transactions and associated risks. Insights from this study, as well as data from the Global Findex database, which is a comprehensive dataset on adults' financial behaviours, were utilized in data analysis. The Global Findex database, developed in collaboration with Gallup, Inc., covers over 140 economies worldwide and provides valuable information on saving, borrowing, payment methods, and risk management.

Statements were obtained through clarification of themes from the interviews carried out with respondents. Data that were collected were sorted and refined where applicable to respond to the different research questions. Data was presented through diagrams, charts, scatter plots and graphs.

For the qualitative part of the study, the data obtained through the semi structured interviews were organised, transcribed, cleaned, labelled and coded in relation to the research framework. Recurrent themes were identified from patterns in the data. The data was then used to answer the research questions, and develop and test hypotheses.

4.9 RESTRICTIONS

When applying the research methodology and tools there were certain limitations that should be acknowledged.

It should be noted that target groups for this research were not chosen through random sampling. Instead, purposive sampling was employed to select specific participants based on predetermined criteria. This non-random sampling approach may introduce a potential bias in the selection process, as it relies on the judgment of the researcher. Therefore, the findings may not be fully representative of the broader population.

Secondly, ethical considerations relating to the financial literacy levels of the respondents had to be taken into account. It is important to handle the data and findings in a responsible manner, ensuring confidentiality and anonymity, particularly when dealing with sensitive financial information. Ethical guidelines and protocols should be followed to protect the rights and privacy of the participants.

These restrictions should be considered when interpreting and generalizing the research results. While the findings provide valuable insights into decision-makers' perceptions of financial literacy, they may not be applicable to the entire population, and caution should be exercised in drawing broad conclusions.

4.10 QUALITATIVE RESEARCH METHODOLOGY

Indeed, qualitative research methods offer researchers valuable approaches to explore and investigate the interactions, perceptions, understandings, and phenomena among interconnected individuals. Qualitative research is characterized by its focus on understanding the subjective experiences, meanings, and social contexts that shape human behavior and phenomena.

Qualitative methods emphasize in-depth exploration and interpretation of data, allowing researchers to delve into the complexities and nuances of social phenomena. These methods often involve techniques such as interviews, observations, case studies, and document analysis. They enable researchers to capture rich and detailed data that go beyond mere quantification, providing insights into the lived experiences and perspectives of individuals and communities.

By employing qualitative research methods, researchers can uncover hidden patterns, social dynamics, and cultural influences that may not be easily captured through quantitative approaches. These methods allow for a deeper understanding of how people encounter, perceive, understand, and shape processes, practices, and phenomena in their everyday lives.

Moen and Middelthon (2015) highlight the significance of qualitative research methods in uncovering and examining the complex social realities and subjective experiences of individuals. Through qualitative research, researchers gain a more comprehensive and nuanced understanding of the social world and contribute to the advancement of knowledge in various fields. This study's purpose is to explore financial literacy among adult Mauritians, and qualitative inquiry is the ideal way to gain insight into the real feelings of people regarding this phenomenon.

Qualitative research provides better answers regarding social experience, enabling depiction of the impacts of barriers to financial literacy which were studied in context and discussed. It also allows the subtleties of human experience to be expressed easily. Qualitative research was ideal for this study as it responds to the needs of such explorative research with limited data on this specific subject available in the Mauritian context. Human experience requires sensitivity that only qualitative methods can offer. Finally, the qualitative methods applied in this study make room for internal validity.

The method utilised is qualitative research with a phenomenological approach through the use of semi-structured interviews. Phenomenological study looks at human behaviour, what people say and do, and how they interpret their world. Using a phenomenological approach, an attempt is made to understand more deeply the structure of the consciousness of people in order to understand the motives and meaning related to finance.

Van Manen (1997) emphasizes that phenomenological research involves studying how individuals experience and understand their world, perceiving it as real and meaningful. Phenomenology recognizes that meaning is intricately woven into human existence, and individuals naturally engage with the world in meaningful ways (Diekelman, Ironside & Gunn, 2005). Wilson (2015) suggests that meaning is embedded in practices, emotions, and thoughts.

Language plays a vital role in sharing and conveying meaning, and it is considered primarily cognitive (Baumeister & Vohs, 2002). Discourse and communication are essential for sharing meaning, and researchers often rely on cognitive data obtained through interviews to explore and examine meaning (e.g Dahlberg, 2006). Interviews are particularly valuable in phenomenological research as they allow researchers to delve into participants' descriptions and illuminate their experiences.

According to Wimpenny and Glass (2000), phenomenological research places significant emphasis on interviews as the primary method of data collection. Through interviews, researchers can explore and gain insights into participants' subjective descriptions, perspectives, and interpretations, allowing for a deep understanding of the lived experiences and the meaning individuals ascribe to their world. Overall, phenomenological research seeks to uncover the meaning and significance individuals attribute to their experiences, and interviews serve as a crucial tool for eliciting and examining these meanings.

4.10.1 Semi-structured interviews

Use of semi-structured interviews as a research instrument was done to collect qualitative data. These were conducted face to face, which allowed for observation of participants' facial expressions and body language. The data from interviews was captured using a digital audio recorder. Six interviews were conducted with adult Mauritians of different age groups and social and economic backgrounds, with their consent, at the premises of the targeted associations.

Rapport was established with each participant before the interview, and appreciation expressed for their consent to take part. The interview process was explained, as well as how collected data would be used for this study. Participants were also told that the outcomes of the study would be communicated to them and that data that they provided would be treated with confidentiality. Participants were also given access to the audio recordings for member checking after the interviews. After transcription, participants were able to view the interpretation of the data, in order to establish internal validity.

Participants were asked if they had any objections or questions before the interviews. The interviews were scheduled and carried out according to established schedules. After the first wave of interviews with all six respondents, a second wave was conducted with four of the participants to test, among others, their personal experiences with money and understanding of the concept of financial literacy. Once data collection was complete, transcription was carried out and the data was analysed.

Sekaran and Bougie (2009) assert that the main advantages of direct or face to face interviews are that questions can be adapted by the researcher as necessary, issues can be clarified, and the researcher can ensure that responses are understood properly by rephrasing or repeating questions. Also, the researcher may detect any non-verbal cues or any discomfort or stress experienced by the respondent through expressions such as frowning, nervous foot tapping, body language, and so on. The same authors note that geographical limitations and the resources required are disadvantages of face-to-face interviews. These disadvantages did not affect the current study because it was conducted at the respondents’ convenience, at the premises of the associations that were contacted.

Permission was obtained from participants before recording started.

The interviews conducted in the research served the purpose of elaborating on and providing more detailed explanations of the data collected through questionnaires. By administering the questions to participants a day before the interview, it allowed them time to reflect on their responses and provide more in-depth insights during the interview process, so that they could prepare themselves. The duration of each interview varied, but on average each lasted about 15 minutes. The researcher tried not to influence the interviews so that reliable and rich data would be obtained. Probing questions were asked for clarity, where necessary.

Cooper and Schindler (2006) advise that for successful personal interviews the interviewee must possess the necessary information that is being targeted by the interviewer, they must provide accurate information, and they must be adequately motivated to participate. I followed the steps proposed by Creswell (2008, pp. 228-229) for conducting interviews.

Harris and Brown (2010) assert that in mixed-method studies, semi-structured interviews are often used to generate confirmatory results. In their review of 19 questionnaire-interview comparison studies, the researchers identified certain factors that contribute to obtaining confirmatory results when using both methods. To achieve confirmatory results, researchers need to create instruments that are tightly aligned and structured, ensuring that the construct being measured is presented in a simple, concrete, and highly contextualized manner. Additionally, collecting data from both methods with minimal time gap between them is crucial.

To estimate agreement between the questionnaire and interview methods, consistency statistics can be employed. These statistics help determine the level of agreement or consistency between the two methods in measuring the construct of interest.

However, it is important to note that seeking confirmation through strong alignment may come at the cost of losing the rich complementary data that can be obtained by analysing each method independently. While aligning the questionnaire and interview methods can provide confirmatory results, it may restrict the depth and diversity of insights that can be gained from each method separately.

Sewell (2001) defines qualitative interviews, which may be semi-structured or unstructured, as "attempts to understand the world from the participant's point of view, to unfold the meaning of people's experiences to uncover their lived world prior to scientific explanations".

According to De Vos et al. (2005), unstructured interviews are conducted without the use of the researcher's prior information, opinions or experience. On the other hand, semi-structured interviews are organised around specific areas of interest to gather a detailed understanding of participants' beliefs or perceptions about a particular topic. Semi-structured interviews offer the advantage of obtaining in-depth information, and participants have the opportunity to seek clarification if needed according to Terre Blanche and Durrheim (1999)

In this study, a semi-structured interview approach was employed to gain a comprehensive understanding of participants' comprehension of financial literacy in specific situations. Hatfalvi et al. (2016) also suggest that semi-structured interviews are suitable for exploring issues related to financial literacy, as they allow respondents to provide detailed responses while adhering to interview schedules.

Both unstructured and semi-structured interviews can be either open-ended or guided. Open-ended interviews are exploratory in nature and allow for the discovery of new insights, while guided interviews are used when information is sought about a specific topic, and the structure of the topic is known but the answers cannot be anticipated (De Vos et al., 2011). A guided interview approach was employed in this study, where the same set of questions were asked to different interviewees to ensure completeness and comparability of the data. However, the questions were open-ended to enable interviewees to freely express their perceptions of financial literacy.

By using a semi-structured and open-ended approach, the study aimed to gather comprehensive and nuanced insights into participants' understanding of financial literacy, allowing for a deeper exploration of their perspectives and experiences in relation to the topic.

Use of semi-structured interviews ensured that each respondent was presented with the same questions in the same order, while giving them the latitude to respond. Answers can then be reliably aggregated and comparisons made with confidence. Use of these interviews complemented the quantitative data obtained through the questionnaire and other instruments.

Interviewees were selected from various social groups from rural and urban regions of Mauritius using purposive sampling, which simply looks for people who can help build the substantive theory further and fit the criteria of desirable participants (Henning, Van Rensburg & Smit, 2004). Kalu (2019) holds that purposive sampling should be based on specific characteristics of the population to be surveyed. The process of selecting interviewees involved requesting their willingness to participate, and upon obtaining their permission, a letter or email was sent to them. This communication outlined the interview's purpose, confirmed the time, date and venue, and reassured participants about confidentiality and adherence to ethical research principles.

Cooper and Schindler (2006) highlight the personal interview survey as a two-way conversation between a trained interviewer and the participant being interviewed. This approach offers the advantage of obtaining high-quality information and detailed insights from the participants.

By conducting personal interviews, the study aimed to foster a meaningful interaction between the interviewer and the interviewee, allowing for a deeper exploration of the participants' perspectives and experiences regarding financial literacy. The personal interview format provided an opportunity for participants to share their thoughts and provide rich and detailed information that may not be captured as effectively through other research methods.

4.10.2 Interview schedule

The interview schedule was constructed based on literature identified in the literature review.

Creswell (2008) suggests that when individuals' feelings towards educational topics, such as assessing positive or negative attitudes towards financial literacy are measured, researchers should utilise attitudinal measures. These measures are designed to capture individuals' opinions, beliefs, or attitudes on a particular subject.

In constructing the interview schedule for this study, factors outlined by Cooper and Schindler (2006) were taken into consideration to enhance the reliability, validity, and practicality of the data.

Cooper and Schindler (2006) provide guidance on various aspects that can influence the quality of data collected through interviews, including question structure, wording, order, and the overall design of the interview schedule. By considering these factors, the research aimed to ensure that the interview questions were clear, relevant, and effectively captured the participants' attitudes and perceptions towards financial literacy.

By incorporating attitudinal measures and adhering to the principles outlined by Cooper and Schindler (2006), the study aimed to gather reliable and valid data that accurately reflected the participants' attitudes towards financial literacy. The practicality of data collection was also taken into account, ensuring that the interview schedule was well-designed and feasible to implement.

4.10.3 Research objectives

Researchers face two general types of scaling objectives when conducting studies. The first objective is to measure the characteristics of participants who are involved in the study. This involves assessing various attributes, traits, or variables related to the participants, such as their demographics, attitudes, knowledge, skills, or behaviours. By measuring these characteristics, researchers can gain insights into the characteristics of the participants and understand how they relate to the research topic.

The second objective is to use participants as judges of the indicants presented to them. In this case, the focus is on obtaining participants' evaluations, opinions, or assessments of specific indicators or stimuli related to the research topic.

Participants were required to explain their choices in their answers to the semi-structured interview, sharing their views about experiences with the phenomenon, as per Creswell and Plano (2007).

4.10.4 Data gathering

In the first wave of interviews, individual face-to-face open-ended interviews were conducted with six participants. Open-ended interviews are characterised as conversational exchanges where the researcher explores the participants' perspectives, ideas, beliefs, and attitudes regarding specific events or phenomena. The focus is on gaining insight into their perceptions and allowing them to propose solutions or provide in-depth insights (Maree, 2007).

To ensure accurate data collection, it is recommended to have a backup plan in case of failure of recording equipment (Cresswell 2007). Taking detailed notes during the interview is one such measure. Prior to recording, participants should give their consent for the process. In this study, the interviews served to delve deeper into the data gathered from the questionnaires. Participants were provided with the interview questions a day in advance to allow them to prepare their responses. It is important to acknowledge that researchers can influence the data through their questioning style or by inadvertently leading or influencing the respondents' answers (Pillay, 2008). Additionally, when the researcher and the participant have a pre-existing relationship, there is a possibility that the respondent may provide information they believe the interviewer wants to hear. These potential biases should be taken into account during data analysis and interpretation. Fortunately, as an outsider this issue did not arise in this study. The steps proposed by Creswell (2008, pp. 228-229) for conducting interviews or constructing an open-ended survey were followed, as per table below.

Table 1

Steps by Creswell used in this study

Steps in conducting interviews	**Current research**
Step 1: Identify the interviewees	Consumers of financial services
Step 2: Determine the type of interview to be used	Survey via personal (one-to-one) interviews
Step 3: During the interview, audiotape the questions and responses	Digital audio recorder used
Step 4: Take brief notes during the interview	Abbreviations used when taking notes
Step 5: Locate a suitable, quiet place for conducting the interview	Meeting room used; no interruptions occurred
Step 6: Obtain consent from the interviewee to participate	Informed consent obtained from participants
Step 7: Have a plan, but be flexible	Focused on questions and completed interviews within 15 minutes
Step 8: Use probes to obtain additional information	Used probes to clarify points and interviewees expanded on ideas
Step 9: Be professional and courteous when the interview is over	Thanked participant, assured him or her of confidentiality of the responses and asked if they would like a summary of the study results

According to McMillan and Schumacher (2010, p. 204), once the researcher has developed a set of possible questions these must be pre-tested by asking some thoughtful individuals to read and respond to them.

The intention was to conduct an initial interview to gain insight into the respondents’ use of financial products and services and their perceptions of financial literacy. The need for inter-case comparability had to be considered, with a format that would enable in-depth understanding of the respondents’ experiences and perceptions. Accordingly, one initial semi-structured interview was carried out per participant, allowing data to be gathered systematically with flexibility and spontaneity as the interview developed.

The semi-structured questions encouraged participants to speak freely about their practices and allowed probing of their responses when necessary. In this way a guided dialogue ensued, which facilitated co-construction of an understanding of each participant’s experiences and perceptions. It was essential that participants’ trust was gained, to ensure that they would give open and honest responses. This was achieved by explaining that the purpose of my study was to understand their experiences with financial services and products and not evaluate them, and that content of the interview would remain confidential. This was reinforced by, for example, maintaining a conducive atmosphere by asking questions in a simple and relaxed manner.

The risk of participants providing inaccurate information was reduced by giving them the interview questions one day before the interview. Also, the length of the interview was limited to avoid participant fatigue and the concomitant risk of inaccurate or incomplete answers. Accordingly, the interviews lasted 10–15 minutes each.

Hitchcock and Hughes (1995, cited in Cohen, Mannion & Morrison, 2007) make the point that since interviews are interpersonal by nature, “it is inevitable that the interviewer will have some influence on the interviewee, and, thereby, on the data”. To limit this source of bias, care was taken to avoid leading questions, especially when prompting responses or probing for more detail. To avoid misinterpretation, the respondents’ views were summarised during the interview, and their confirmation was sought. It was also important to ensure that all predetermined questions were posed to all participants (Patton, 2002).

Audiotaping all six interviews allowed the researcher to concentrate fully on listening to and understanding participants’ responses without being distracted by note-taking. The entire interview was then transcribed, providing a complete record of it. The transcripts were compared to the audiotapes and corrections were effected where necessary before forwarding them to participants to confirm their accuracy.

Pre-testing of the survey via interview was conducted by asking colleagues in the field of financial literacy to read and respond to the questions in terms of wording and clarity. Their feedback allowed questions to be reworded to provide clarity, and those not associated with the construct were deleted. Questions were also merged to provide scope for mining quality data. Pre-testing helps to exclude or revise directions and questions if they are not clear (Strydom 2002), which is what happened in this study The questions were revised and the draft of the survey via interview was created and made ready for a pilot study.

4.10.5 Pilot study

Qualitative data gathering started with a pilot study to clarify the wording of questions and check the suitability of the survey via interview. The pilot interview provided valuable information and experience regarding length and timing, and allowed for modification of some questions in order to clarify certain issues.

The semi-structured interview was pre-tested to check if interviewees understood the questions. McMillan and Schumacher (2010) state that in a pilot study the administration of the survey via interview should be about the same as it will be in the study itself, with pilot test respondents given space to write comments about individual items and the survey as a whole. The interview schedule was modified based on data gained from the pilot testing stage.

4.10.6 Interview sample

The use of purposeful sampling for selecting participants for interviews is a common practice in qualitative research. It involves selecting individuals who possess specific characteristics or experiences that are relevant to the research objectives. Rather than aiming for a representative sample that generalises to a larger population, purposeful sampling focuses on selecting participants who can provide rich and in-depth insights related to the research topic (Babbie & Mouton, 2007).

In this study, the purposeful choice of participants for interviews from the larger quantitative sample was driven by the desire to gain a deeper understanding of their quantitative responses.

By selecting individuals who had completed the quantitative survey, I aimed to capture their perspectives, elaborations, and insights on the topics covered in the questionnaire.

This sampling approach allows researchers to gather detailed and context-specific information, enabling a comprehensive exploration of the research topic. However, it is important to note that the findings from purposeful sampling may not be generalisable to the larger population, as the selection of participants is based on specific criteria and the researcher's judgement. Nonetheless, purposeful sampling can provide valuable qualitative data that enhances the overall understanding of the research phenomenon.

The sample consisted of six consumers or potential consumers of financial services and products, who derived a steady income through wages or pension. The sample was deemed representative of the general population and included people from different backgrounds, different ethnic groups and with diverse demographic characteristics.

Two of the respondents work in the private sector, three in the public sector, and one is a pensioner. They were labelled P1 to P6 and identified only by first names, which were pseudonyms: Shan, Raj, Ash, Navi, Vani, Ash and Ruby (fictitious names used, and at times referred to as informant 1, informant 2, informant 3, informant 4, informant 5, and informant 6. They come from diverse walks of life and are of different ethnicities (Hindu, Christian and Muslim), and are in the age range of 24 to 67 years.

4.10.7 Second interviews

After the first round of six interviews, a second probing interview was held with selected participants from the first round. Knox and Burkard (2014) state that there are differences of opinion about how many interviews each participant should complete, with some qualitative researchers or methods relying on a single interview, and others using multiple interview contacts. Researchers who carry out multiple interviews tend to be more involved with their participants in trying to understand their experiences fully.

In this study, the second wave of interviews was done with the objective of probing into participants' personal experiences with money, to better understand their level of financial literacy and their needs in terms of this. For the purpose of this second wave, the more information-rich participants were interviewed. Also, the questions asked were more open-ended, to give the participants more leeway to provide comprehensive and data-rich responses.

A context of positive and negative experiences with money was built up with participants, and they were prompted to share their experiences through anecdotes and examples where they faced hardships with or had positive outcomes from the use of their money.

4.10.8 Qualitative data analysis

According to Cohen, Mannion and Morrison (2007), in qualitative data analysis the data which are obtained are organised, accounted for and explained. The data collected through individual interviews were analysed by listening to audio interviews, which were transcribed. Each transcript was read and re-read to get an overview of the participants' responses before breaking them into individual responses to each of the questions. Major themes were reduced into sub-themes, and finally the data was interpreted. The qualitative data on attitudes towards financial literacy and relevant concepts provided support for the quantitative data during the analysis and interpretation phase.

4.10.9 Trustworthiness

The use of Krefting's criteria (1991, p217) to ensure trustworthiness in my qualitative research demonstrates a rigorous approach to validating the credibility and reliability of my findings.

The criteria utilised are as follows:

(i) Credibility (interview technique): To establish credibility, I recorded the interviews using voice recordings. This preserves the original responses of the participants, allowing for a faithful representation of their perspectives and experiences.

(ii) Transferability (dense description): To enhance transferability, I included verbatim quotes from the interviews in my analysis. By providing rich and detailed descriptions of participants' statements, readers can better understand and relate to the data, potentially enabling the findings to be applicable to other contexts or settings.

(iii) Dependability (dependability audit): To ensure dependability, I employed interview transcripts. Transcripts serve as a means of documenting the data and making the research process traceable and auditable. They provide a solid foundation for reviewing and assessing the reliability of the information collected.

(iv) Confirmability (confirmability audit): Confirmability was addressed by cross-checking the interview transcripts with participants' written responses. By comparing and validating the data against participants' own accounts, I increased the confirmability of the findings. This step adds an extra layer of scrutiny and objectivity to the research process.

Additionally, I conducted member checks and sought peer confirmation of interpretations. Member checks involve sharing the research findings with participants to verify the accuracy and authenticity of their representations. Peer confirmation involves seeking the input and feedback of other researchers or experts to ensure that the interpretations and conclusions are reliable and supported by the data.

By incorporating these trustworthiness measures, I have taken steps to enhance the rigour and credibility of my qualitative research. The combination of credibility, transferability, dependability, and confirmability criteria, along with member checks and peer confirmation, contributes to the overall trustworthiness of the study.

4.10.10 Triangulation

Triangulation is a valuable approach to strengthen the quality and credibility of research. By utilising multiple data sources and methods, researchers can corroborate and validate their findings, leading to increased validity and reliability. In my study, I implemented methodological triangulation by combining information from questionnaires, interviews, and previous research. This approach offers several benefits:

(i) Increased Validity: Triangulating data from different sources helps establish converging evidence, enhancing the validity of the findings. By comparing and contrasting information from questionnaires and interviews, I identifed consistent patterns or discrepancies, providing a more comprehensive understanding of the research topic.

(ii) Enhanced Reliability: Triangulation contributes to the reliability of the research by reducing the reliance on a single method or data source. By incorporating different perspectives and data types, I mitigated the risk of bias or limitations inherent in any single approach. This strengthens the overall reliability of my findings.

(iii) Comprehensive Understanding: Triangulation allows for a more holistic and in-depth exploration of the research topic. By combining quantitative data from questionnaires with qualitative insights from interviews and existing knowledge from the literature review, I gained a more comprehensive understanding of the phenomenon under investigation. This integration of diverse perspectives can lead to richer and more nuanced interpretations.

(iv) Robustness of Findings: Triangulation adds robustness to the research outcomes. When data from different sources and methods align and support each other, it strengthens the credibility of the findings. This convergence of evidence enhances confidence in the results and provides a more solid foundation for drawing conclusions and making claims.

By employing methodological triangulation in my study, I have taken a rigorous approach to validate and strengthen my research. The combination of quantitative and qualitative data, along with insights from previous research, enhances the validity, reliability, and overall quality of my findings.

4.10.11 Use of the narrative vignette

Narrative vignettes were collected from the interviews with the four participants from the second wave of interviews, to understand their experiences with money and perceptions of financial literacy. The use of vignettes as a technique is perceived as complementary to the use of quantitative measurement, rather than opposed to it. Vignettes can add enrichment and insight to understanding the issues. The use of vignettes in this way has considerable potential for the research process, especially in real-world research dealing with issues which might seem complex. In particular, vignettes provide a rich source of ideas for deepening understanding of the issues, as well as serving as an aide-memoir for other forms of analysis, and an indication of appropriate orientations for such research. As per the PsycINFO Database Record (2012), vignettes appear to be a useful and not just complementary qualitative research tool.

Vignettes are used to provide context and to describe stories or events. While Stake (1995) states that “a vignette is an extreme representation, quite atypical”, due care was taken to ensure that representations in the form of a stories were appropriate and respectful of the participants’ experiences with money.

Vignettes are often used to illustrate that what is being read describes an episode relating to an aspect of the research (Stake, 1995). In this study, vignettes are used to show the contextual knowledge and experiences of participants with money and financial literacy. They also highlight the ethnographic element of this study, as events and related episodes are described by the participants.

Vignettes as an approach to analysis involve connecting strategies. Seidman (2006), opines that “a profile in the words of the participant is the research product […] most consistent with the process of interviewing”, which allows researchers to “present the participant in context, to clarify his or her intentions, and to convey a sense of process and time, all central components of qualitative analysis”. Especially important in crafting vignettes is being able to “find and display coherence in the constitutive events of a participant’s experience, to share the coherence the participant has expressed, and to link the individual’s experience to the social and organizational context within which he or she operates” (Seidman, 2006). Vignettes serve to bring the participants alive, enriching and making the work more rewarding.

I followed Seidman's (2006) guidelines for creation of participant profiles and vignettes. Seidman suggests using the first-person point of view to capture the voice of the participants, but I found it more comfortable to write in the third person when inserting verbatim phrases and passages from their transcripts. This allowed me to clarify and provide context while constructing and analysing the narratives.

While crafting the profiles and vignettes, I made edits to exclude hesitations, fillers, and semantic analysis. The focus was on capturing the major ideas and staying faithful to the participants' words. By omitting hesitations and fillers, I ensured that the narratives were concise and focused on the participants' intended meanings.

Regarding the presentation order, Seidman suggests maintaining the sequence in which the material was obtained during the interviews. However, in my research, due to the conversational nature of the interviews and the jumping between ideas, I pulled data from different transcripts and sections to create cohesive narratives. Care was taken to ensure that transposing material from one context to another enriched the message without altering or distorting the original meaning.

By following Seidman's recommendations while adapting them to fit the specific needs of my research, I was able to create participant profiles and vignettes that effectively captured the essence of the participants' experiences and perspectives.

4.10.12 Ethical considerations

My research complied with ethical considerations and obtained ethical clearance from the Human Research Ethics Committee of the University of KwaZulu-Natal (reference number: HSREC/00000825/2019). Adhering to research ethics is crucial to protect the wellbeing and rights of human subjects involved in the study.

As mentioned by Cooper and Schindler (2006), research ethics play a significant role in ensuring that participants are not harmed or subjected to adverse consequences as a result of the research activities. Ethical guidelines typically include principles such as informed consent, confidentiality, voluntary participation, and minimising any potential risks or discomfort for participants.

By obtaining ethical clearance and following ethical guidelines, I demonstrated my commitment to conducting my research in an ethical manner and prioritising the welfare of the individuals involved. This helps to build trust and credibility in the research process and ensures that the rights and wellbeing of participants are safeguarded.

The University of KwaZulu-Natal’s ethical considerations appear in the Appendices. Cohen, Manion and Morrison (2007) regard consent as important because it protects respondents and the researcher, while proving the authority of the data collected and processes followed.

Maintaining confidentiality and anonymity is essential in research to protect the privacy and identity of participants. The respondents in my study were informed about the confidentiality and anonymity of their participation.

By assuring participants that no identifying information would be disclosed on the questionnaire and that their responses would remain anonymous, I created a safe environment for them to provide honest and uninhibited answers. The use of pseudonyms further added to the protection of their identities.

Emphasising that participation or nonparticipation would not have any impact on the participants and that confidential information would not be disclosed helps to build trust and encourage open participation. These assurances are crucial in ensuring that participants feel comfortable and confident in sharing their perspectives and experiences.

Respecting and maintaining the confidentiality and anonymity of research participants is not only an ethical responsibility but also contributes to the validity and integrity of the research outcomes. The information consent form is included in the appendices. The data from this study has been deposited in a safe place, where it will be kept for a period of five years.

4.11 METHODOLOGICAL OVERVIEW

The Table below provides a methodological overview of this study.

Table 2
Methodological overview

Logistics	Details
Questionnaires	Questionnaires to be distributed to adult consumers of financial services (18 and above)
Sample	n= 200 Individual-based sample of adults aged 18 years and above in Mauritius. Sample to be representative of the population at urban/rural, district and national levels and in terms of socioeconomic backgrounds.
Questionnaire design	Questionnaire to be designed as per O'Neil (2008) and contextualised and translated into French where necessary
Questionnaire length	± 15 minutes

Semi-structured interview	Face-to-face and pen and paper interviews to be conducted with respondents
Sample	n= 6 for first interviews n= 4 for second interviews Semi-structured interviews were conducted with a sample that is representative of the population at national, urban/rural and district levels and in terms of socioeconomic backgrounds
Interview design	Interview to comprise both closed- and open-ended questions
Interview length	± 15 minutes
Fieldwork	2020
Data recording	Done by researcher
Implementation	Study funded by researcher Fieldwork carried out by researcher

4.12 SUMMARY OF THE CHAPTER

This chapter presents the mixed methodology used in this study and the methodological approaches most relevant to this type of study.

I used a combination of research methods to investigate respondents' perception of financial literacy, the need for financial literacy for decision-making, and the attributes of financial information for decision-making. This approach allows for a comprehensive understanding of the subject matter.

Using questionnaires as a research instrument is a common and effective method for gathering data from a large number of respondents. Pilot testing the questionnaires before the actual data collection helps to identify any potential issues or areas of improvement in the design, clarity, and relevance of the questionnaire. This step ensures that the final questionnaire is well-designed and capable of capturing the required information accurately.

In addition to the questionnaire itself, it is crucial to pay attention to the layout, covering note, and consent form accompanying the questionnaire. These elements contribute to the overall quality and effectiveness of data collection. A clear and well-structured questionnaire layout, accompanied by a comprehensive covering note and consent form, helps to ensure that participants understand the purpose of the research, their rights as participants, and the confidentiality and anonymity of their responses.

By conducting this research, I aim to increase and endorse knowledge of financial literacy and provide justification for elaboration of financial literacy programmes where necessary. This demonstrates a practical application of research findings and a commitment to addressing the needs of the target population, adult Mauritians.

Overall, my attention to the design and administration of the questionnaires, as well as the focus on the target group's perceptions, contributes to the rigour and relevance of my research.

Other tools that were used have also been detailed in this chapter, including the semi-structured interview and how this was conducted for maximum efficiency. Methodologies and tools used to the different research questions were outlined for a more focused and organised approach. This chapter also covered the use of relevant software programs for preparation and analysis of the collected data. Limitations in the research process were also mentioned.

CHAPTER 5: QUANTITATIVE ANALYSIS

5.1 INTRODUCTION

This main findings from the quantitative part of the study are presented in this chapter, regarding the main objectives, which are to generate insights into individuals' financial knowledge and ability to communicate about financial concepts, as well as their aptitude to manage personal finance and make certain financial choices. Adult Mauritians' ability to take decisions and plan from a financial perspective is also probed, as is the extent to which local authorities contribute to enhancing the general financial literacy of citizens through appropriate programmes.

After the data was validated using Cronbach's alpha, statistical analysis was done in respect of the following three major aspects: demographic analysis, correlation tests, and hypothesis testing. The preliminary analysis related mainly to the percentage responses to the questions in the questionnaire's Section A. The correlation testing revealed correlations between demographic variables and questions linked to financial awareness and use of financial services, while the hypothesis testing analysed the cross-tabulation between dependent variables and the main contributors to financial literacy.

5.2 PRELIMINARY TESTS

After conducting the survey, 200 responses were obtained through the structured questionnaire. This chapter provides insight into the responses received. The data has been checked for consistency and reliability. The first test done was to check data reliability obtained, using Cronbach's alpha to check if data collected from the questionnaire is appropriate for the research and reliable enough to generate sound findings. Table 3 shows that the data was correctly entered on SPSS, with no missing values for any of the questions and all coding correct. A Cronbach's alpha of greater than 0.6 suggests that the results were reasonably reliable. The test result of 0.632 showed good internal consistency of the data.

Table 3

Reliability test

	Number	**Percentage**
Valid	200	100
Excluded[a]	0	0
Total response rate	200	100
Reliability statistics		
Cronbach's alpha	Cronbach's alpha based on standardised Items	N of items
0.632	0.669	22

(Source of data – Questionnaire)

5.3 DEMOGRAPHICS

5.3.1 Gender

Gender-related statistics were employed to show if there are scoring difference between the genders regarding different aspects of financial literacy. Out of the 200 responses received, 83 of the questionnaires were answered by females and 117 by males.

Figure 5

Gender distribution

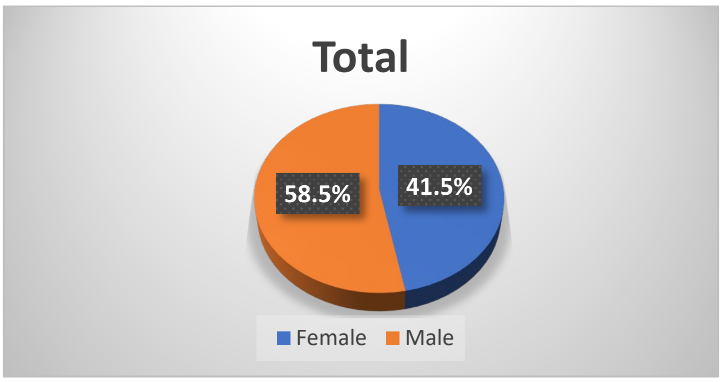


Table 4

Gender distribution

		Frequency	%	Valid %	Cumulative %
Gender	Female	83	41.5	41.5	41.5
	Male	117	58.5	58.5	100
	Total	200	100	100	

(Source of data – Questionnaire)

5.3.2 Age

As for gender, age-related statistics were employed to show differences in scoring on financial literacy aspects, if any between respondents of different age groups.

Figure 6

Age distribution

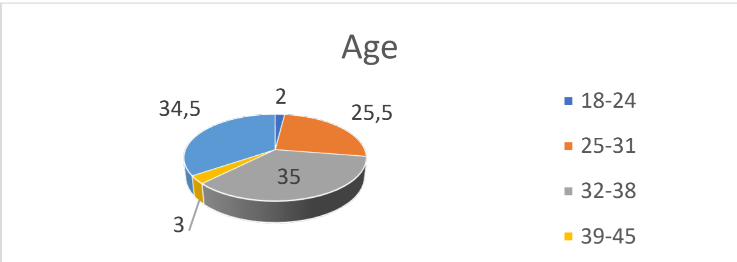


Table 5

Age groups

		Frequency	%	Valid %	Cumulative %
Age groups (yrs)	18-24	4	2	2	2
	25-31	51	25.5	25.5	27.5
	32-38	70	35	35	62.5
	39-45	6	3	3	65.5
	45 and above	69	34.5	34.5	100
	Total	200	100	100	

(Source of data – Questionnaire)

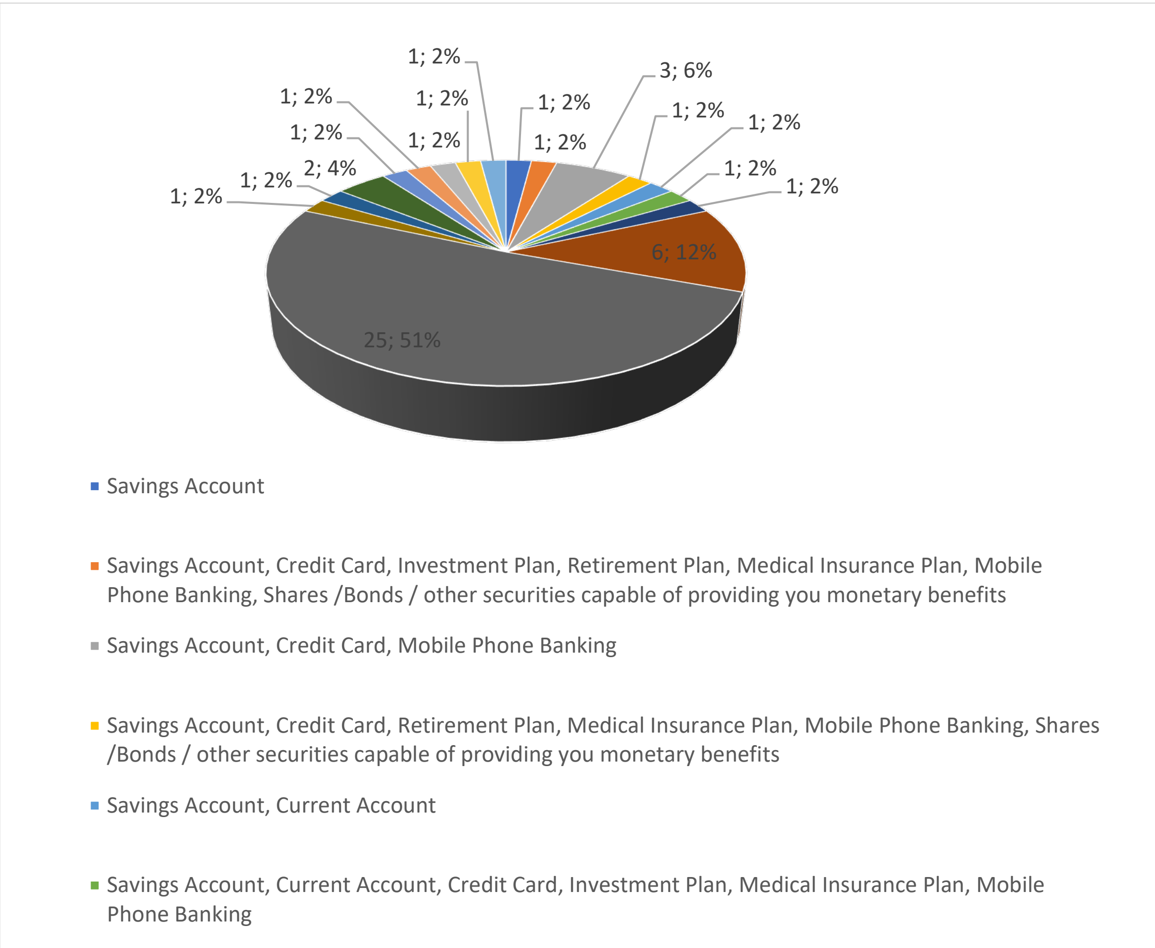
From the previous table, it is found that 2% of the respondents are aged between 18 and 24. Another 25.5% are aged between 25-31. Then 35% are aged 32 to 38 and another 3% aged 39 to 45. Finally, 34.5% are aged above 45.

5.4 AWARENESS OF FINANCIAL SERVICES

The responses obtained indicated that 25.51% of respondents showed awareness of most of the financial instruments available in the market. It is to be noted that respondents could cite more than one financial instrument in their answers. However, not all respondents possess an overall appreciation and understanding of all the financial instruments provided on the market. In general, knowledge remains limited with regard to bonds, securities and many other financial plans provided by the financial institutions.

Figure 7

Awareness of financial services



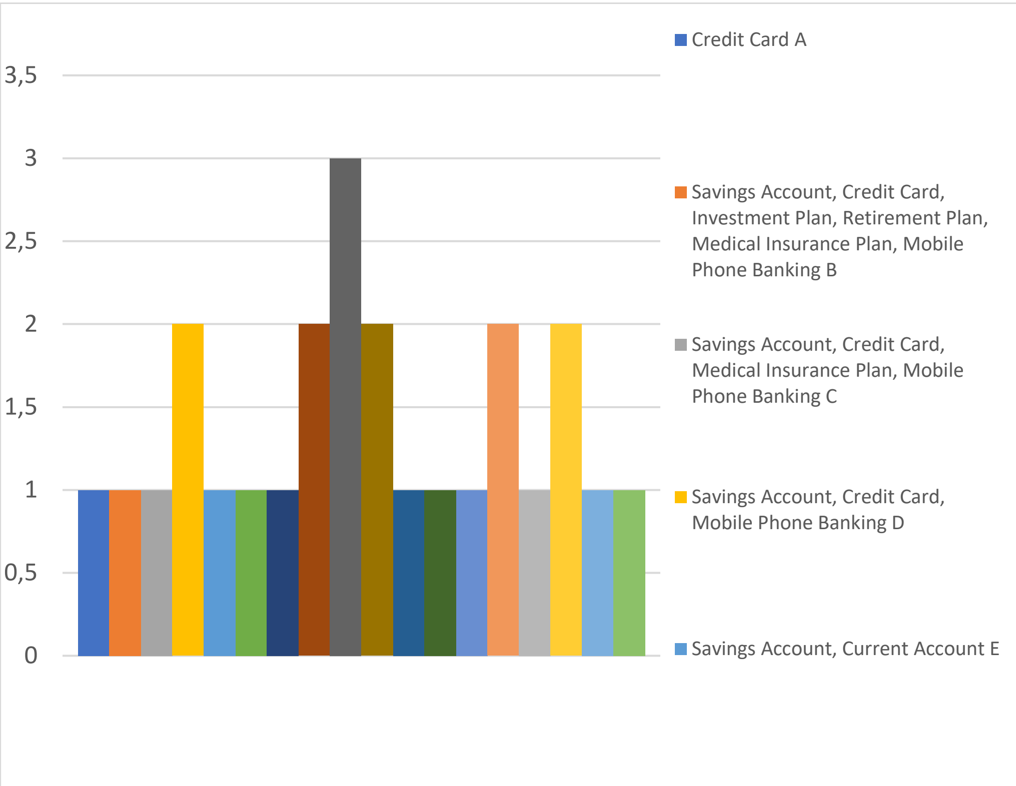
(Source of data – Questionnaire)

5.4.1 Use of financial services

The responses obtained indicated that more respondents are inclined towards using a combination of savings accounts, current accounts, credit cards, medical insurance plans and mobile phone banking. All respondents understand and used one at least one form of financial service, where the use of a saving account, current account, credit card, retirement plan and mobile banking services remained predominant. Figure 8 shows that most respondents have a clear understanding of and use the financial service that they require, but often lack knowledge and therefore fail to use those types of financial services that they feel do not concern them or are not appropriate for them.

Figure 8

Use of financial services



(Source of data – Questionnaire)

5.5 FINANCIAL KNOWLEDGE

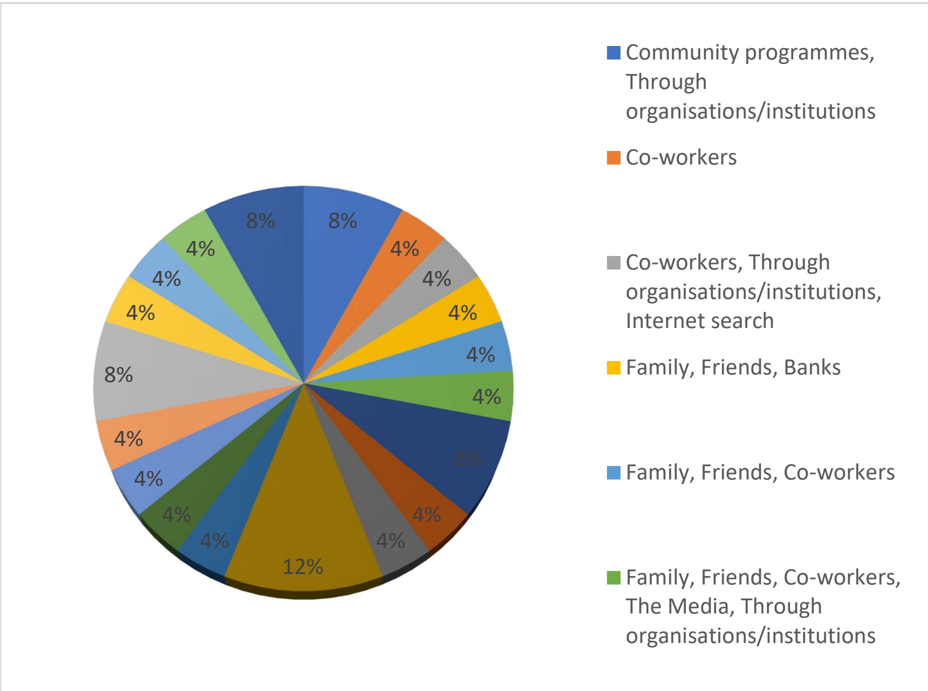
Álvarez et al. (2017) describe financial knowledge as the understanding and awareness of financial concepts/procedures, and how this understanding is used for solving financial problems. Financial knowledge of a conceptual nature, applied financial knowledge and procedural financial knowledge are the most important determinants of such financial knowledge. Many questions were asked to assess the financial knowledge of adult Mauritians. The main questions used for hypothesis testing related to respondents' awareness level of financial services, financial services use, means through which they obtain financial advice, and initiatives they have heard about.

5.5.1 Financial advice

It was noted that respondents seek financial advice from various sources, more recurrently from a combination of family, friends and organisations/institutions. It may be stated that in general, individuals ask for financial advice from diverse sources including friends, family members, co-workers, financial institutions and through internet searches.

Figure 9

Financial advice



(Source of data – Questionnaire)

5.5.2 Correlation analysis: Awareness of financial services

Responses collected from the survey questionnaire were analysed and tested using the Spearman correlation coefficient, with a view to determining whether any correlations existed between variables. The Spearman correlation coefficient is a way to measure monotonic relationship strength between two variables, modelled as: $-1 \leq rs \leq 1$. This correlation can be positive or negative. If a correlation is positive, this shows that an increase in the value of one variable causes an increase in the value of the other, while a negative correlation indicates that an increase in the value of one variable causes a decrease in the other variable. The closer that rs is to ± 1, the stronger the relationship between the variables. The strength of the relationship between the two variables is based on the value of the correlation:

- Very weak: 0.00-0.19
- Weak: 0.20-0.39
- Moderate: 0.40-0.59
- Strong: 0.60-0.79
- Very strong: 0.80-1.00

The analysis revealed that there was a weak association between age and the awareness of financial services like savings account (0.089) and current account (0.219).

Table 6

Correlations between gender, age, and use of a savings account at a significance level of 95%

			Gender	Age group	Saving account
Spearman's rho	Gender	Correlation coefficient	1.000	-0.050	**0.030**
		Sig. (2-tailed)	.	0.485	0.670
		N	200	200	49
	Age group	Correlation coefficient	-0.050	1.000	**0.089**
		Sig. (2-tailed)	0.485	.	0.209
		N	200	200	49
	Savings account	Correlation coefficient	0.030	0.089	**1.000**
		Sig. (2-tailed)	0.670	0.209	.
		N	200	200	49

(Source of data – Questionnaire)

This strengthens the theories put forth in the literature review whereby the limited knowledge of financial literacy has been analysed among adults in Mauritius. There is an eminent lack of awareness of the existing financial services, such that it does not relate to the age of the participants. In this modern era of increasing innovation, people are no longer acquainted with financial products like savings and current accounts. Instead, people have shifted their focus to investing in innovated financial products like shares, as has been found by the analysis performed, with a moderate correlation coefficient noted between awareness of shares and age. The recent fall in the repo rate in Mauritius, has reduced the overall savings deposit rate, which discourages people from saving and instead provides incentives to them to invest in financial services.

Table 7

Correlations between gender, age, and use of a current account *at a significance level of 95%*

			Gender	Age group	Current account
Spearman's rho	Gender	Correlation coefficient	1.000	-0.050	**0.094**
		Sig. (2-tailed)	.	0.485	0.184
		N	200	200	200
	Age group	Correlation coefficient	-0.050	1.000	**0.219**
		Sig. (2-tailed)	0.485	.	0.002
		N	200	200	200
	Current account	Correlation coefficient	0.094	0.219	1.000
		Sig. (2-tailed)	.184	.002	.
		N	200	200	200

(Source of data – Questionnaire)

There is a positive correlationship between gender and current account use (p=0.094) as well as between age group and current account use (0.219). The results point to a positive and significant correlation between gender current account use as well as between age group and current account use. This means that as Mauritian grow up, their financial literacy is enhanced through education, parental guidance and exposition to the outside world.

Table 8

Correlations between gender, age, and investment in shares at a significance level of 95%

			Gender	Age group	Shares, etc.
Spearman's rho	Gender	Correlation coefficient	1.000	-0.050	**0.107**
		Sig. (2-tailed)	.	0.485	0.130
		N	200	200	200
	Age group	Correlation coefficient	-0.050	1.000	**0.411**
		Sig. (2-tailed)	0.485	.	0.000
		N	200	200	200
	Shares, etc.	Correlation coefficient	0.107	0.411	1.000
		Sig. (2-tailed)	0.130	0.000	.
		N	200	200	200

(Source of data – Questionnaire)

The results provided in Table 8 indicate that significant and positive correlations exist between gender and investment in shares (0.107). However, the association remains very weak, which reflects the general nature of Mauritian society, where investment in shares remains limited due to lack of insight and information. In Mauritius, financial investment in shares is dominant and most individuals prefer to invest in property development, although most of this remains for private use.

In contrast, the moderate association between age group and investment in shares (0.411) implies that as the individuals gain in maturity and experience, their potential and capacity to invest in shares increases. Thus, it can be concluded that younger adults in the country invest less in shares compared to older individuals.

The Australia and New Zealand Banking Group (2008) states that most people over-rate their financial capability. This implies that they become less confident when considering investment opportunities. Providing financial literacy programmes would ensure that individuals develop their financial knowledge and carry out investments and take financial decisions not only cautiously, but with an appropriate understanding and appreciation of the investment opportunities.

According to Mitchell (2011), people who under-save do not make savvy investment decisions. An individual who saves less has limited potential and capacity to invest. For investment in shares to increase, it is important for an individual to save sufficient money in order to generate a worthwhile return on investment.

Along with this investment through legitimate means, there have been cases reported of people investing in unregulated schemes of the Ponzi type. For instance, in 2013 some 1,300 persons were defrauded to the amount of 572 million Mauritian rupees or around 12 million GBP. This was reported by the Finance Minister, Mr Xavier Luc Duval, in a response to a Private Notice Question in the Mauritian Parliament as per the National Assembly Hansard (2013).

Park and Mercado (2015) consider financial inclusion to be a crucial element for inclusive growth, as financial access can allow people who are involved to take long term decisions regarding investment and consumption, act productively, and deal with setbacks. Having the right attitude and behaviour towards investment and saving are critical in the wealth creation or accumulation process (Ingale & Paluri, 2022).

To enhance the investment potential of the citizens of Mauritius, it is important to develop their numeracy and ability to carry out interest rate calculation, receive complete information on and scrutinise inflation and its impacts, and develop programmes to enable individuals to understand risk diversification.

A strong correlation coefficient of 0.614 was found between awareness of mobile banking services and age group, which reflects how technological advancement has been heavily adopted by Mauritians. With enhancements in the financial sector that have now eased the making of financial transactions – for example, through mobile banking applications – financial literacy is now being promoted.

The use of mobile banking services with respect to age has a strong correlation coefficient of 0.614. This projects the ease with which young adults today, who form part of the major users of financial services, are able to use technology through their mobile phones. This is now an integral part of the financial sector, and contributes to financial literacy.

Table 9

Correlations between gender, age, and mobile banking at a significance level of 95%

			Gender	Age group	Mobile banking
Spearman's rho	Gender	Correlation coefficient	1.000	-0.050	**0.301**
		Sig. (2-tailed)	.	0.485	0.000
		N	200	200	200
	Age group	Correlation coefficient	-0.050	1.000	**0.614**
		Sig. (2-tailed)	0.485	.	0.000
		N	200	200	200
	Mobile banking	Correlation coefficient	0.301	0.614	1.000
		Sig. (2-tailed)	0.000	0.000	.
		N	200	200	200

(Source of data – Questionnaire)

From table 9, it is obvious that a positive and significant correlationship exists between Gender and Mobile Banking (0.301) as well as between age group and mobile banking (0.614). this implies that as individual grows up, their use of mobile banking applications increases.

Table 10

Correlations between gender, age, and medical insurance plan at a significance level of 95%

			Gender	Age group	Medical insurance plan
Spearman's rho	Gender	Correlation coefficient	1.000	-0.050	**0.481**
		Sig. (2-tailed)	.	0.485	0.253
		N	200	200	200
	Age group	Correlation coefficient	-0.050	1.000	**0.046**
		Sig. (2-tailed)	0.485	.	0.514
		N	200	200	200
	Medical insurance plan	Correlation coefficient	0.481	0.046	1.000
		Sig. (2-tailed)	0.253	0.514	.
		N	200	200	200

(Source of data – Questionnaire)

The use of medical insurance plans among Mauritians has a moderate correlation coefficient of 0.481 with gender. An association, also exists (though weak) between medical insurance plan and age group (0.046). This reinforces the theory put forth by Fonseca et al. (2012) that older women are less exposed to financial knowledge and are unlikely to correct their financial mistakes, even though they tend to live longer than men. This emphasises the integration and crucial correlation of gender in the analysis of financial literacy in Mauritius.

Table 11

Correlations between gender, age, use of financial services at a significance level of 95%

59030944			**Gender**	**Age group**	**Use of FS**
Spearman's rho	Gender	Correlation coefficient	1	-0.05	**0.201**
		Sig. (2-tailed)	.	0.485	0.004
		N	200	200	200
	Age group	Correlation coefficient	-0.05	1	0.281
		Sig. (2-tailed)	0.485	.	0
		N	200	200	200
	Use of FS	Correlation coefficient	**0.201**	**0.281**	1
		Sig. (2-tailed)	0.004	0	.
		N	200	200	200

(Source of data – Questionnaire)

From the computation provided in Table 11, it is concluded that there is a weak association between use of financial services and gender (0.201) and age group (0.281). Knowles (1980) states that instead of promoting memorisation, instruction on use of financial services should be task-oriented and this may involve applicable use of financial products and services at specific points in time. Knowles further added that instruction needs to consider the diversity of learners, and allow for equal opportunity of individuals to learn about financial services available to them and how they can benefit from such services.

5.6 AWARENESS AND USE OF FINANCIAL SERVICES

From the analysis, it is evident that there is a weak association between age and the awareness of financial services such as savings account (0.089) and current account (0.219), indicating limited knowledge of financial literacy among adults in Mauritius. A strong correlation coefficient of 0.611 between awareness of mobile banking services and age group explains how the concept of technological advancement has been heavily adopted by Mauritians. Awareness of the financial services is used in the context of this study to reflect on the financial literacy of the respondents captured through a rating scale for the different facets of financial literacy used, including understanding of financial services, level of financial decision-making and financial initiatives that the individual takes.

The use of medical insurance plans among Mauritians has a moderate correlation coefficient of 0.481 with gender. This reinforces the theory of Fonseca et al.(2012) whereby older women have been noted to be less likely to gain financial knowledge and have limited time for correcting their financial mistakes even though they tend to have a longer life span than men. This highlights the crucial correlation of gender in the analysis of financial literacy in Mauritius.

5.6.1 Hypothesis testing

5.6.1.1 Hypothesis 1

The Chi-square technique was used to examine whether there were differences in responses of different respondent groups. By applying the Chi-square test, the aim was to assess the independence of association among the random variables within the population.

The first hypothesis that was tested was as follows:

H1: The level of financial decision making is related to the level of financial literacy of the Mauritian population.

Table 12

One-sample statistics – Hypothesis 1

	N	Mean	Std Deviation	Std Error Mean
Familiar with financial literacy	200	3.8100	0.87621	0.06196
Seek financial advice	200	2.5800	2.06273	0.14586

(Source of data – Questionnaire)

Table 13:

Paired samples correlations – Hypothesis 1

		N	Correlation	Sig.
Pair 1	Financial decision-making process & financial literacy	200	0.437	0.000

(Source of data – Questionnaire)

Table 14

Paired samples differences – Hypothesis 1

Pair 1		Paired differences					t	df	Sig. (2-tailed)
		Mean	Std deviation	Std error mean	95% Confidence Interval of the difference				
					Lower	Upper			
	Financial decision-making process & financial literacy	0.06500	0.82716	0.05849	0.18034	0.05034	1.111	199	0.268

(Source of data – Questionnaire)

Analysis showed that the t-test is greater than 0.05 (1.111), and as such the alternate hypothesis is accepted.

It is therefore concluded that financial decision-making level is related to the level of financial literacy of the population. As the individuals' financial literacy increases, they become more adept at making important financial decisions and start benefitting from the financial services offered on the market. Thus, often it is observed that individuals from the upper middle class and the upper class are more motivated to gain knowledge of and competence in financial decision-making through developing their financial literacy.

5.6.1.2 Hypothesis 2

The second hypothesis that was tested was as follows:

H2: Financial literacy initiatives of institutions help in disseminating financial literacy among the Mauritian population.

Table 15

Paired samples test 1 – Hypothesis 2

Pair 1		Paired differences					t	df	Sig. (2-tailed)
		Mean	Std deviation	Std error mean	95% Confidence Interval of the difference				
					Lower	Upper			
	Familiar with Financial literacy & financial literacy campaign knowledge	1.64500	1.70396	0.12049	1.40740	1.88260	13.653	199	0.000

(Source of data – Questionnaire)

Table 16

Paired samples test 2 – Hypothesis 2

		Paired differences					t	df	Sig. (2-tailed)
		Mean	Std deviation	Std error mean	95% Confidence Interval of the difference				
					Lower	Upper			
Pair 1	Familiar with financial literacy & FSC	2.81000	0.87621	0.06196	2.68782	2.93218	15.354	199	0.000

(Source of data – Questionnaire)

From the analysis provided in Table 16 it was found that the t-test is greater than 0.05 for both, so the null hypothesis is rejected and the alternate hypothesis is accepted.

It is therefore concluded that financial literacy initiatives of institutions help in disseminating financial literacy among the Mauritian population.

As pointed out by Klein (2007), most financial literacy programmes were developed without sufficient consideration of inclusive learning environments, adult learning theory and teaching which is culturally responsive. It is important to target financial literacy programmes at the groups that require them most, which could increase their effectiveness.

By incorporating principles of adult learning theory, financial literacy programmes can be designed in a way that acknowledges the prior knowledge, experiences, and learning styles of adult participants. Adult learners often have different motivations for acquiring financial knowledge compared to younger learners, and their learning preferences may differ as well. By recognising these differences and tailoring the programme accordingly, educators can enhance the relevance and effectiveness of the learning experience. Financial literacy programmes should focus on their content and/or effectiveness, and be provided on a regular basis.

5.6.1.3 Hypothesis 3

The third hypothesis that was tested was as follows:

H3: The lack of financial literacy of the Mauritian population is directly related to the lack of institutional financial literacy initiatives.

Table 17

Paired samples statistics – Hypothesis 3

		Mean	N	Std Deviation	Std error mean
Pair 1	Familiar with financial literacy	3.8100	200	0.87621	0.06196
	Financial literacy campaign knowledge	2.1650	200	1.12878	0.07982

(Source of data – Questionnaire)

Table 18

Paired samples correlations – Hypothesis 3

		N	Correlation	Sig.
Pair 1	Familiar with financial literacy & financial literacy campaign knowledge	200	0.436	0.000

(Source of data – Questionnaire)

Table 19

Paired samples test – Hypothesis 3

		Paired differences					t	df	Sig. (2-tailed)
					95% Confidence Interval of the difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper			
Pair 1	Familiar with financial literacy & financial literacy campaign know-ledge	1.64500	1.70396	0.12049	1.40740	1.88260	13.653	199	0.000

(Source of data – Questionnaire)

Analysis showed that the t-test is greater than 0.05.

Hence, it is established that the lack of financial literacy of the Mauritian population is directly related to the lack of institutional financial literacy initiatives.

Although efforts are made by local authorities to set up and promote financial literacy programmes, participation often stays limited to certain categories, including individuals from middle-class families and from the higher class, excluding elements of the lower class. This leads to a vicious cycle where deprived and less fortunate individuals fail to develop their financial literacy and cannot benefit from the financial services offered on the Mauritian market.

5.7 SUMMARY OF THE CHAPTER

The responses obtained from the quantitative research made it clear that most individuals knew about a majority of financial instruments available in the financial system. Concerning the use of financial products and services, the majority of respondents also indicated that they are inclined to use a combination of savings accounts, current accounts, credit cards, medical insurance plans and mobile phone banking. It was also noted that respondents look for advice from a number of sources, and that the sources that they consult most frequently are a combination of family, friends and organisations/institutions.

It was also established that the financial decision-making level is linked to the level of financial literacy of the population. Another finding was that the financial literacy initiatives of institutions help in disseminating financial literacy among the Mauritian population. Results also show that limited financial literacy Mauritians is directly related to limited institutional financial literacy initiatives.

Chapter 6 and Chapter 7 that follow contain the qualitative analysis part of the study. The concurrent mixed-method design allows for the transition from quantitative data analysis to qualitative data analysis.

This type of design allows for comparing and contrasting the results obtained from the two methods in order to present evidence. This comparison between the results obtained through quantitative and qualitative analysis are presented in the discussion in Chapter 8.

CHAPTER 6: QUALITATIVE ANALYSIS (Part 1)

6.1 INTRODUCTION

The main quantitative analysis and findings were shown in the previous section. The main qualitative findings are presented in this chapter as part of a triangulation exercise in order to confirm the quantitative results and consolidate the main contribution of this study.

Firstly main findings that emerged from the first wave of interviews are provided. Statements made by the participants which are more meaningful to the study are listed as well as the main findings. These relate to the respondents’ knowledge, their motivations, aspirations and overall predispositions to make certain decisions. The institutions, structures and media which they rely on for their financial decisions are also discussed. The main findings from the second wave of interviews are then detailed, followed by a summary of the chapter.

6.2 MAIN FINDINGS FROM THE FIRST INTERVIEWS

Thematic analysis of the qualitative data gathered (see Appendices) revealed main themes, which are presented and elaborated on in this section. Generally, the respondents possessed a basic knowledge of finance which does contribute towards enabling them to deal with their day-to-day financial needs. The findings also indicate that those who are highly motivated by their perceptions and awareness concerning financial stability in their life are likely to be more financially literate.

The recognition of the need for financial literacy programmes by economic institutions, such as banks and regulatory bodies, aligns with the findings of my study. Participants in my research acknowledged that these institutions have already taken some steps to provide information and education regarding financial concepts.

By developing financial literacy programmes, economic institutions can empower individuals to make better-informed financial decisions. These programmes can enhance individuals' understanding of financial concepts, improve their ability to manage their money effectively, and increase their confidence in making financial decisions.

The provision of information and education by economic institutions is a positive step towards promoting financial literacy. However, it is crucial to assess the effectiveness and comprehensiveness of the existing initiatives and identify areas for improvement. The insights gained from my study can contribute to the development and enhancement of financial literacy programmes, ensuring they address the specific needs and concerns of the target population, adult Mauritians.

Overall, the findings of my research support the notion that economic institutions play an important role in the promotion of financial literacy and empowering individuals to make informed financial decisions. Continued collaboration between these institutions, regulatory bodies, and other stakeholders is crucial to successfully implement comprehensive financial literacy programmes in Mauritius.

Participants like Vani, Ruby, Shan and Navi for example relied on sources in their immediate circles in order to get the relevant information and mentioned social groups as an important source of information when it comes to financial issues. This study's findings highlight the importance of social structures and various sources of information in shaping individuals' financial literacy and decision-making. Families and friends were identified as significant social structures from which participants gain basic financial information. This suggests that informal networks play a role in transmitting financial knowledge and influencing financial behaviours.

The Internet and other media emerged as prominent sources of financial education, reflecting the increasing popularity and accessibility of online resources as explained by Shan for example. Participants recognised the value of searching for information to make better financial decisions, leveraging the convenience and vast amount of information available through digital platforms. Traditional media such as radio, newspapers, magazines and television also remained relevant sources of financial literacy development according to Raj for example.

However, my study also reveals that financial literacy alone does not always determine individuals' financial decisions. External circumstances and emotions can override financial knowledge, leading to suboptimal financial choices. Emotions were identified as a significant factor influencing financial decisions, with participants Raj and Navi acknowledging the link between spontaneous reactions, emotions, and impulsive spending. Participants like Ruby for example highlighted how emotions and family pressure can drive impulsive spending, especially during important celebrations or when immediate assistance is requested by a family member.

Pressure from social forces, including family and friends, was another theme that emerged from the interviews. Participants, for example Shan expressed how social pressures, societal trends, and the need to conform can impact financial decisions, even if they don't align with sound financial principles. Habits were identified as consistent patterns of behaviour that can strongly influence financial decision-making. Once a spending habit is formed, individuals may continue to engage in costly behaviours, disregarding financial literacy principles.

These findings underscore the complexity of financial decision-making, influenced not only by knowledge and information but also by emotions, social pressures, and ingrained habits. They highlight the need for comprehensive financial education programmes that address not only the acquisition of knowledge but also the development of skills in managing emotions, resisting social pressures, and fostering positive financial habits.

By understanding these influences, policymakers, educators, and financial institutions can design targeted interventions and resources that empower individuals to make informed financial decisions while navigating the social and emotional factors that impact their choices.

Concerning the consequences of financial literacy, most participants supported the fundamental views that financial literacy can lead to proper financial planning and good financial behaviours, and eventually to the financial wellbeing of individuals.

6.3 SECOND INTERVIEWS

A second round of interviews was carried out to probe more deeply into the perceptions of four of the participants with regard to money. The considerations that were looked at were how they make use of their money, their personal experiences, how they carry out planning their finances, and their views on financial literacy. The participants interviewed were Informant 1, Informant 2, Informant 3, Informant 4. The findings from these participants are split into two, with the second pair of participants reported on in Chapter 7.

6.3.1 Background of Shan and Raj

Informant 1 (Shan) is a single 30-year-old male who works full-time and lives with his parents. He has a secondary school education qualification and works in an outsourcing company. He studied courses in project management on a part-time basis in an effort to become a project manager at his current work or in any other work environment. He earns an average salary and his immediate project is to buy a car and build a garage. Shan is quite active socially as he is a member of the non-governmental organisation, the Bright Future Association, and is also active in local politics. He was recently designated as a Councillor for his village after local elections. As a member of the Bright Future Association, Shan is very involved in social work.

Informant 2 (Raj) is a 67-year-old male, who spent all of his career in government service, and is now retired. Raj is a widower and his three children, who are all financially independent and well settled in life.

Starting off his career on the lower rungs of government service, Raj did not have an easy time at the beginning as he had to cater for the needs of his growing family. Raj has an administrative role in the 16eme Mille Senior Citizens Association and is also quite involved in social work.

Having recently retired, Informant 2 is now drawing a fixed pension and is able to manage financially, as he only has to cater for his own expenses.

For the purposes of analysis, Informant 1 and 2 have been grouped because they are from roughly the same economic and social background. Their level of qualification is also almost the same and they are also both quite active socially.

6.3.2 Research questions

Before carrying out an analysis on the responses received, it is important to highlight the research questions for the study. Data obtained from the interviews were used to address mostly research questions 2 and 3.

The research questions ares:

1. What is the state of financial literacy among the adult population of Mauritius?

2. How do Mauritians become financially literate?

3. How do learning experiences influence financial decision-making?'

4. Why does acquisition of financial literacy happen in a particular way in Mauritius?

In line with the above research questions, the following can be inferred from responses obtained from Informant 1 and 2. The responses have been regrouped in such a way as to demonstrate their attitude and approaches to money in line with their personal experiences, their perception and exposure to financial literacy and what effectively should be done for its improvement

6.3.3 Main findings

The main findings from the second interviews conducted with Information 1 and 2 are described below. These findings result from more probing questions that these respondents were asked after the first interviews. This was done to explore in greater depth their experiences with money, and their perceptions about money management and financial literacy from an individual perspective.

6.3.3.1 Financial planning is important

Informant 1 and 2 are both conscious of the importance of prioritising expenses in relation to what they really need. As young adult, Shan seems to have a high-level awareness and understand that he needs to pay his debts first and decrease the credit burden, before thinking about catering for his basic necessities. This might be explained by the fact that he comes from a modest background where borrowing money was one of the ways to make ends meet. Subconsciously, reducing the debt burden became a priority for him, even at an early stage of his adult/working life.

As a retiree and pensioner, informant 2 tends to think that some level of money management is important at this stage of his life. He receives a fixed income, and money management and planning are thus crucial. For this reason he does not seem to be arbitrary with his income and gives considered thought to spending the money on basic necessities first, with leisure and other expenses coming after:

> **Informant 1:** *Upon receipt of my salary, the first thing that comes to my mind is to pay my debt and uh, the main thing for human beings is food, shelter, clothes, so when I receive my salary, I buy some food, I pay my utility bills …*

> **Informant 2:** *On receiving money, I, uh, first think about managing it … I also think about spending on food, clothing, social activities and future expenses …*

From responses received when questioned about their first thoughts upon receiving money, they show a similar pattern in terms of prioritising basic expenses. Both mention food and clothing, for example. There is also some projection into the future, as Shan mentions paying off bills and debts as a priority, while Raj mentions management and future expenses as his priorities.

6.3.3.2 Planning for expenses helps avoid unwise expenditure and cater for the future

Both Informant 1 and 2 have an inner consciousness that budgeting and planning are important. Informant 1 has become aware that poor practices in relation to money have bad consequences in terms of his money management. He is also aware that he might have been drawn to make unwise expenditure and not-so-necessary purchases instead of looking at his priorities and using the money in a more sustainable way. While he mentioned debt management and prioritisation of expenses, he shows a level of awareness that he has to focus more on his needs than his wants, otherwise he could undertake risky financial behaviour.

In contrast, Informant 2 mentions straight way that a budget is important for him as a pensioner, which matches the previous analysis in terms of his wise and more considerate approach towards money, since he has a limited and fixed amount. This also hints at the constraints he has to work within and demonstrates his maturity in the face of the limited possibilities he might have with the income that he is receives:

> **Informant 1:** *Uh, I am not talking for other people, but let me take the example on me. If I don't draw a budget plan, the day I receive my salary, I can spend it all, not invest it but spend it, and without any consciousness. Maybe I would buy some stuff that are not necessary and by the middle of the month, I can see that I don't have any money because I have been buying lots of unnecessary things …*

> **Informant 2:** *Hmm … I think it is important to have a budget as a retired pensioner… Having a budget can also help to cater for necessities and leisure.*

On planning and budgeting, both Shan and Raj seem to be on the same page that some measure of planning is indeed important. As a youth, Shan seems to be totally conscious that he could indulge in excessive expenditure if the element of financial planning is not present. As a pensioner, Raj speaks from experience and mentions that having a budget is important, because his income is not the same as it was, and necessities and leisure are items that need to be catered for.

6.3.3.3 Savings can be important for unforeseen circumstances and the future

As a young adult, Shan mentions that money should be saved if you have projects in mind. He is indirectly hinting at the fact that he has an immediate project, which he elaborates on later. He is aware that having savings is an essential element of money management and the relevant associated skills. He goes one step to further to mention that if someone has a proper vision, then the money that is saved can also be invested, thus showing some level of foresight as far as his finances are concerned.

Informant 2 is at a stage of his life where he thinks that anything can happen in the future. As a retiree, he is thinking about health issues or untimely death. The fact that he mentions the Covid-19 situation and the uncertainly that the pandemic has brought also hints in that direction. For him, money can thus be considered a crucial element for his survival.

In terms of financial health, Informant 1 and 2 can be considered average earners. This is reflected in their conservative approach to money, which includes a minimum of planning and the need to have at least some form of savings for the future.

In general terms, both Shan and Raj possess a basic knowledge of finance and have resorted to the use of simple financial management, especially in dealing with day-to-day financial needs:

> **Informant 1:** *You know, savings are important for people who have projects, uh, and want to achieve it. Having savings will allow them to manage their expenses and make a saving for their new project. Also, if they have a vision, they will start to invest it, instead of only saving it.*
>
> **Informant 2:** *Savings are important, as we do not know what will happen in the future … especially because of the Covid-19 situation …*

Savings seem to be important to both Informant 1 and 2, but from different perspectives. As a youth, Shan seems to consider that savings can be useful for the fulfilment of projects. He embraces the progressive view that savings can also be used for investment, which is noteworthy. Raj thinks that savings can help avert certain threats, like those associated with the recent Covid-19 pandemic, for example, and thus has a more conservative view on savings as a money management tool.

6.3.3.4 Good experiences with money give confidence and help envisage a better future

Informant 1 goes into greater detail on his own project that he has personally been saving for, which is to build a garage and then purchase a car. He shows here that good money management can have a direct impact on personal wellbeing and satisfaction, as it can instil a certain amount of self-confidence. He clearly enjoys the satisfaction of seeing his money work, bringing his project to fruition and contributing to his overall wellbeing and happiness.

Informant 1 also tends to think that good money management can also bring about a certain amount of self-empowerment, when he mentions that it makes him think that he can have the capacity to take on more responsibilities. Here he personifies the young adult who has ambitions and knows that he can fulfil them effectively with the right money management skills.

Informant 2 is more conservative in his approach and stems from when money was limited, as a government servant with an average income. Any additional income received was most welcome, and he used it to renovate his house. He seems to derive some satisfaction that he managed his money well enough to still have some savings after completion of the works.

Both participants mention something which is very typical to the Mauritian context, namely investment in construction and the house. Most Mauritians live in their own houses and do not rent. This is why many unconsciously have this instinct of using any additional income that is received either to upgrade their house – adding a garage in the case of Shan, or renovating it in the case of Raj:

> **Informant 1:** *… when you are making your project come to reality. For the money you have been saving, you feel nice, you can see your garage, for example, you can see it is happening. It shows that I have the capacity to take more responsibilities, to do it well, yeah, it gives me confidence …*

Informant 2: *I used the money I obtained for the renovation of my house and I still made some savings after that…*

Upon being questioned about what they did after receiving an additional sum of money through a bonus or other means, interestingly both mention investment in construction and refurbishment. Shan mentions building his garage and Raj mentions renovation of his house. As mentioned, this meta consciousness stems from the fact that Mauritians are normally house owners and their first thoughts when receiving money go to improving their houses.

Informant 2 also mentions that seeing his project materialise gives him a sense of confidence and a heightened sense of being able to take on responsibilities. Raj mentions that after incurring expenses for renovations, he was still in management mode and able to save some money.

6.3.3.5 Negative experiences with money make people exercise more care

When it comes to negative experiences with money, Informant 1 returns to the fact that he might have been a risk to himself when it comes to managing his finances. He admits that he has indulged in bad money management practices when it comes to his own immediate project of constructing the garage. This can be attributed to his youth and lack of maturity compared to Informant 2, even though both are basically from the same social and economic background.

Informant 2 mentions that his bad experiences with money resulted mostly from trusting people in his immediate social circle and lending them money, which he then had difficulty in getting back. This is a characteristic of Mauritian society, which is quite close-knit and where people tend to lend money to their family and friends quite easily, without any paperwork of guarantee being provided. For Informant 2 money is basically linked to his own survival instincts.

Another interesting point that comes out here is that Informant 1 considers planning to be very important. He seems to be self-conscious of the fact that having too much money at once can make people take decisions that they could later regret. He gives his own example of that, and having gone through this bad experience, he seems to have understood that discipline is important when it comes to personal finances, and mentions it more than once. He uses the words ‘rules’, ‘control’, ‘guidelines’, and ‘commitment’, which tend to show that he has reached some level of self-realisation after his adverse experiences and setbacks with money, and won’t be inclined to repeat the same mistakes in future. The same also applies to Informant

2, as he mentions that bad experiences taught him to be more careful with his money so as not to compromise his own existence:

> **Informant 1:** *... you know, when you get a large amount of money, you need to make a good planning. Why so? Because money comes and money goes .... I will take the same example for while I was constructing my garage. I can say that money was going like water every time ... I failed to do that, because sometimes when you get a lot of money, you don't know ... your mind stops working ... You need to put in some discipline ... you need to set up some rules, to set some discipline to yourself, a commitment to yourself ... This helped me to get a control ... and not to spend everything. You need to set some guidelines, you need to think about tomorrow...*

> **Informant 2:** *... some people, friends asked for a loan from me and I had to ask them to refund the amount as I needed it for the future ... After that I became more careful as I needed the money for my own survival ...*

While Informant 1 agrees that he initially made some bad decisions with regard to his money, providing the example of mismanagement of funds while constructing his garage, there is some degree of self-realisation on his part that to avoid such mishaps, a certain level of self-discipline is required. He realised that what he was doing was wrong, and he subsequently engaged in some measure of self-control and avoided spending unnecessarily. Learning from experience has been a key determinant in terms of Informant 1's attitude towards finance.

Informant 2's realisation came in a different way and through a different negative experience. Lending money without paperwork and only on trust made him lose money. This put him in a difficult situation, as he needed the funds for future expenditure. This bad experience automatically induced a certain duty of care in him, and made him more careful about his money and the way he manages it.

6.3.3.6 Investment is interesting and need not just be monetary

Both Informant 1 and Informant 2 understand that investment and growth are important. Once again, Informant 2 shows a more conservative approach. He believes that investment should go into projects like construction and housing. His reaction is typically that of a family man thinking about the immediate welfare of his family members.

In contrast, Informant 1 has a more forward-looking approach to investment. He shows a certain level of sophistication, as he seems to know that investment can be done through the stock exchange, with interesting returns. He has come to the realisation that eventually he can invest not just in immediate projects, and can make his money grow and work for him.

As a youth, he also believes that investment can also be non-monetary, when he mentions investment in personal development. He has an interesting perspective on investment, which he says depends on each person's perceptions.

We can say that Informant 1 and Informant 2 adopt a more prudential approach when it comes to their financial decisions. While they consider that investment is an intelligent move, they believe that appropriate advice must be sought first, from both professionals and other sources:

> **Informant 1:** *... Ok, so today you have the stock exchange. People invest their money there and if ever they make a break even, they encounter huge sums of money. These types of people will go there and make an investment. Also, you know, you have to invest on yourself. What kind of investment? I would say personal development investment, I mean growing myself .... Also, you can say it depends on the people, on what type of investment you want to do, you can, for example, invest in stock.*

> **Informant 2:** *... we must invest some money in projects that can help us in future, for example, housing, construction, etc. ...*

Regarding the concept of investment, Informant 1 believes that although a number of avenues might exist for where to invest one's money (citing the stock exchange as an example of investment which can bring substantial returns), he interestingly points out that investment is not necessarily only in monetary terms and can also be in self-development.

Informant 2 has a more pragmatic approach to investment, mentioning housing and construction as investments for the future, matching his earlier priorities in terms of use of money.

6.3.3.7 Financial literacy is perceived to be important, but is still a vague notion

Informant 1 and Informant 2 have a basic notion of financial literacy. Informant 1 has quite a vague understanding of it, having come across the concept through the media. Informant 2 seems to have a more mature and hands-on approach to the concept of financial literacy, believing that individuals who are financially literate are those who can manage and use their monetary resources properly. This can be based on his own personal experiences as a middle-class government employee, having worked hard to make ends meet. He again emphasises the need for people to keep saving for a rainy day and to make good choices, areas in which he thinks financial literacy can be helpful.

As a less experienced person, Informant 1 has learnt about financial literacy mostly through media and word of mouth. In practice, he does not know much about how it works or what it entails for individuals in terms of money management:

> **Informant 1:** *I have heard about financial literacy but I am not fully aware about it. I learnt about it by Facebook, billboards, publicity or people talking, that's it, but really getting a good knowledge about financial literacy, not yet.*

> **Informant 2:** *People must know how to cater for and use money they receive … People should be literate about how to spend in a good way, so that they can save for the future and make good choices…*

Informant 1 seems to have a quite vague notion of financial literacy. He mentions the various media through which he has come to hear about the concept, but admits that he doesn't have sound knowledge of it.

Informant 2's understanding of financial literacy is also quite basic. He mentions money management, which is one of the pillars of financial literacy. However, he shows no real degree of sophistication in relation to the other concepts of financial literacy. Nevertheless, he mentions that being (financially) literate can enable people to adopt a savings culture and make good choices.

6.3.3.8 Guidance and advice must be sought before investing

Both Informant 1 and Informant 2 think that seeking guidance and the right knowledge and advice are important when it comes to money and investment. Both think that the right people in the right institutions can be helpful. Informant 1 mentions the bank as the go-to institution for getting advice. Most people in the same situation would go to the bank, which might be perceived as the most accessible institution, also bearing in mind that more than 90% of the adult Mauritian population have at least one account at a bank.

Informant 2 demonstrates a quite defensive and less adventurous approach when it comes to investing his money. He thinks that it is important to ask for advice if one doesn't know much about finance. Seeking advice from knowledgeable people and professionals is seen as an important step that must be taken by people who don't have the right information:

> **Informant 1:** *Yes, every day you need to seek guidance. You know what they say, you need to go to places where surely you can learn something. You can go to a bank where they can advise you. So, if you have people who are in this field, they will help you, they will guide you on what type of investment you need to do and how you can earn the fruit later on …*

> **Informant 2:** *I think it is important to seek advice if we don't know much about finance. We must contact people or professionals who know about finance and who can advise us…*

Informant 1 believes that guidance needs to be sought all the time and believes in the learning process. As far as money is concerned, he believes institutions like banks can provide advice, and people who are already in the field can also help.

Informant 2 again shows a pragmatic and hands-on approach, as he believes that those who don't know about finance need to seek advice. Like Informant 1, he also believes that knowledgeable people and professionals in the field can provide assistance and advice where required.

6.3.3.9 Regulatory role of financial authorities

In recent years many people have faced certain problems with their finances in Mauritius, especially by investing in unregulated ponzi schemes. Both Informant 1 and Informant 2 thus know that they can contact relevant opportunities if they happen to face problems with their money. Interestingly both of them again mention banks. Banks thus need to play an importance role as frontliners in the financial industry and could come up with the necessary mechanisms to promote financial literacy among the Mauritian population.

> **Informant 1:** *If ever you face any difficulties, you can contact relevant authorities, banks, etc.…*

Informant 2: *You can contact people who are knowledgeable about finance, banking and financial institutions…*

If difficulties are faced in relation to finance matters, again there seems to be a consensual approach from both respondents that there are relevant authorities, people and financial institutions which can be contacted to find a solution. While both seem to be informed, they do not point out that regulators and law enforcement agencies, for example, can be contacted in these types of situations.

6.3.3.10 Need to sensitise people and make them more financially literate

Both Informant 1 and Informant 2 are of the belief that sensitisation regarding financial literacy is of prime importance. While Informant 2 thinks of a more conventional approach to financial literacy, through workshops and traditional media, Informant 1 is younger and thinks that online media can also be used to create awareness, in addition to traditional media.

Informant 2's perspective might be influenced by the fact that as a former civil servant, he has been exposed to more 'institutional' means of disseminating information, hence his reference to 'workshops'. An interesting element that he adds here is the need to disseminate financial literacy everywhere, including in villages, that is, to take it to the grassroots. Informant 2 himself is from a village and now lives in a suburban environment, hence this reflection.

Informant 1 thinks that sensitisation should happen through new media like Facebook, WhatsApp, Messenger and applications. Again he tends to show a certain level of sophistication and a tech-savvy attitude, in contrast to Informant 2 who has a more conservative approach.

The point of convergence between these respondents is in respect of the use of traditional media for dissemination, that is, radio, television and advertising/publicity.

This is very interesting, in the sense that both bring their own perspectives to the debate as people from different generations and exposed to different types of media. The youth would be more attracted to social and online media, while the older generation would prefer to get information from traditional and accessible media (radio, television, advertisements) and face-to-face interactions (workshops):

Informant 1: *First of all, we need to sensitise people for this type of campaign. So how can we do it? We can do it by radio, we can do it by publicity, we can put it on television for publicity, billboards. There are so many ways. Not only that, now we have Facebook, we have lots of applications, WhatsApp, Messenger. There are so many ways to encourage people to go towards financial literacy, to encourage them to learn about it, that it will be fruitful for you.*

Informant 2: *More workshops have to be organised everywhere around the country, in villages … Advertisements have to be placed everywhere on radio, television, newspapers to inform people to deal with problems …*

Sensitisation through financial literacy-related campaigns is seen as important by Informant 1, who goes on to mention the means and media through which this can be done. He indirectly hints at the fact that a good media mix is needed to do that, which is quite noteworthy. A good media mix, through traditional media (radio, television and billboards) as well as new media (Facebook. applications, WhatsApp, Messenger), as mentioned by Informant 1, is indeed a good way to reach out to a diverse audience which is exposed differently to media and consumes information differently through these different forms.

Informant 2 has a more conservative approach to tools that can be used to foster financial literacy and modes of dissemination of information on the subject. He tends to believe that personal engagement with the public should be encouraged through outreach methods. He believes that media can also be used for the purpose of educating people, although as a senior citizen he tends to think more about the traditional media (radio, television and newspapers).

6.4 SUMMARY OF THE CHAPTER

From the results obtained through the first wave of interviews and the first set of second interviews, we can assume that the financial decision-making level is indeed linked to the level of financial literacy, as pointed out by studies in other countries and globally. Data analysis reveals that the situation in Mauritius is not different from the global situation. Respondents who have a certain level of knowledge generally seem to have recourse to simple money management and investment tools, instead of sophisticated ones. Emotions and impulses also emerged as a factor which impacts on spending and money mismanagement. Influence and sometimes pressure from inner circles can also have an impact on how money is spent and managed.

Financial literacy in general seems to be a subjective concept. Respondents seem to adopt a certain behaviour in relation to money matters, depending on their own experiences and exposure to certain types of information, through specific media which they use daily. Some of the information sources that participants look at to acquire the necessary information before making financial decisions are the Internet and other media, including social media.

The popularity and accessibility of social media and the internet mean that they are commonly used by participants to access information. Other traditional media cited as sources of information on finance were television, magazines, newspapers, and radio.

Respondents also consider the limited financial literacy of the Mauritian population as directly linked to limited initiatives in that sphere. The lack of awareness on financial products needs to be addressed by economic institutions, including market players and regulatory authorities.

The findings from the interviews with Informant 1 and Informant 2 will be further analysed in line with the literature and theoretical framework of this study, in Chapter 8.

In the next chapter, Chapter 7, the findings from second interviews conducted with participants Navi and Vani are detailed.

CHAPTER 7: QUALITATIVE ANALYSIS (Part 2)

7.1 INTRODUCTION

The main qualitative insights with regards to responses obtained from the other two participants who had second interviews are presented in this chapter. The qualitative input indicates perceptions of the state of financial literacy among the adult population and how their experiences with money influence financial decision-making. How Mauritians understand financial literacy is probed into, along with insights on how learning about financial literacy is promoted in Mauritius.

7.2 SECOND INTERVIEWS

7.2.1 Background of Informant 3 and Informant 4

Informant 3 and Informant 4 were also grouped for the purpose of analysis, since these two participants have a similar socio-economic and educational background, They were asked probing questions (as was the case for Informant 1 and Informant 2), to get a more thorough understanding of their personal experiences with regard to money, its management, and their perceptions of the key concepts of financial literacy. The same technique as used in the previous chapter – the narrative vignette – is also used here.

These two participants can be considered as having a more hands-on approach to their finances, as they are already investors. They also have a higher exposure to financial literacy-related information, and can be said to be quite savvy with their money.

Informant 3 (Navi) is a 24-year-old female who works in the financial sector, and is therefore quite knowledgeable about finance and has also pursued tertiary studies on the subject. Informant 3 is single and lives with her mother and two sisters. Her father passed away while she was still studying, and her mother now runs their small family shop. She helps her mother in the shop during her free time, and had to acquire financial knowledge to enable her understand and make various financial decisions. Her mother has done everything possible to give her children a good education, and Informant 3 wants to live up to her expectations.

Informant 4 (Vani) is a 39-year-old female who works in an information technology company. She is well qualified and earns a comfortable living. Nevertheless, she started at the lower rungs of the profession and worked as a quoting agent before being promoted to the post of Senior Software Engineer. She is married, financially independent and comes from a family with a modest financial background, with her father still owning a small catering business. She is still very grounded in terms of her values and the way in which she uses her money.

Informant 3 and Informant 4 were also chosen because they are from basically the same socio-economic background, with families owning small businesses. Both have also been able to acquire tertiary level education, up to Master's level. They are thus qualified, fairly ambitious, and possess a relatively adequate level of financial literacy.

7.2.2 Main findings

In line with the research questions of this study, the following can be inferred from the responses obtained from Informant 3 and Informant 4. The responses have been grouped in such a way as to demonstrate their attitude and approaches to money in line with their personal experiences, their perceptions of and exposure to financial literacy, and what should be done to improve financial literacy in Mauritius.

7.2.2.1 Catering for priorities is important when receiving money

Informant 3 and Informant 4 both think it is important to cater for certain needs as a matter of priority. Having also acquired a certain level of education, both holding Master's degrees, their approach with respect to money seems to be driven by a need to save and forecast for the future.

As a young adult, Informant 3 thinks that savings are important. She is of the view that her immediate thoughts upon receiving money would be to draw a demarcation between money meant for savings and money for consumption, and to plan for the said savings.

As a middle-aged individual with family responsibilities, Informant 4's reflection mostly relates to catering for domestic expenses and the specific needs of her family. So catering for priorities are important for both of them, even though their priorities might differ according to factors such as age and relationship status:

> **Informant 3:** *I think it is mostly important to have a broad idea of my future plans, and to be able to know what are the future expenditures and to be able to cater for that. Half went into savings and second half went into normal expenses.*

Informant 4: *The first thing that comes to my mind when you receive your salary is to think about your priorities, uh, if you have provisions for your house, for loans, if you have other basic needs. … I bought gifts for my family and tried to help my family financially, for the household, for house maintenance.*

When asked what they did with their first salary, both showed some degree of farsightedness. Informant 3 boldly projects herself in the future, while not specifically mentioning what she will be using the savings or what the future expenditure will be. This might be explained by the fact that she is still young and her financial commitments as a single individual might concern her own personal development.

In contrast, Informant 4 is married and has responsibilities related to her status. This might explain why she thinks about the house first, provisions, loans and basic needs. Her primary focus is the family and household. This can be considered as a typical reaction from a middle-income, middle-aged woman who is quite conservative as far as her money and assets are concerned.

7.2.2.2 Savings and planning are important for unforeseen circumstances

Informant 3 seems to be quite savvy with her money. Her leitmotif of prioritising savings comes up time and again. She goes a bit further to mention that not only are savings important, but it is also important to plan for these savings. Farsightedness in relation to savings and use of money in general is seen in her response, as she mentions the need to save in order to cater for unforeseen circumstances. Informant 3 also thinks it important to have a broad idea about her future plans, and to know what her future expenditures might be and be able to cater for those.

Informant 4, like Informant 2 previously, thinks that good money management is linked to some form of survival instinct, mostly in view of the Covid-19 situation (the interviews were conducted almost at the peak of the Covid-19 pandemic in Mauritius). According to Anand et al. (2021),"the pandemic has affected and will likely continue to affect household finances for years to come. Having a plan, prioritizing spending, and using resources efficiently will be key to personal financial stability". Like Informant 3, she also mentions that planning is important in view of catering for unforeseen circumstances, especially medical expenses:

Informant 3: *... immediate thoughts would be mostly geared towards savings, what would be my savings and separating savings from consumption, and next would be planning for those savings. Savings, I think mostly it's important for any unforeseen event or any emergency where I would require that amount to be used instantly, so mostly for unforeseen events.*

Informant 4: *Planning is important for the future, we have seen that in Covid, you might lose your job, unexpected events might happen, you might need money for medical use. Yes, this was my priority after expenses. I tried to save money because it is important for the future, for unforeseen events. Helpful because I had medical expenses afterwards.*

Regarding what her immediate thoughts would be upon receiving an end-of-year bonus or any sort of additional income, Informant 3 mentions savings and planning for those savings. She also mentions that savings can cater for unforeseen events or emergencies. Interestingly, she mentions that savings should be separated from normal consumption.

Informant 4 is a bit more hands-on and practical, in the sense that she mentions specific events like the Covid-19 pandemic and the fact that money saved can be employed for medical uses, which is what she did afterwards. Informant 4 speaks from experience; this is a typical example of someone who relies on past experiences to project herself in the future as far as money matters are concerned.

7.2.2.3 Good experiences with money can motivate a person to keep on investing

The savvy attitude that both Informant 3 and Informant 4 have with regard to money is visible in their response in relation to good experiences with money. Both showed that they are keen investors and in fact feel motivated to keep investing their money after the positive experiences that they have had.

Informant 3 thinks that if she had to invest in financial products, she would think about diversifying that investment, and of having an insurance, retirement or pension plan. She thinks it is important to diversify risks while investing.

Informant 4 seems to have adopted a more conservative approach to investment, having invested in a more traditional and 'safe' financial product, an insurance policy, Informant 3 mentions investing in the stock market and how dividends obtained have encouraged her to keep investing in that field. She thus demonstrates a more adventurous and risk-oriented approach to investment, which might be explained by the fact that she knows the sector better than Informant 4:

> **Informant 3:** *So positive experience was receiving dividend from stocks that I had been buying, all the dividends that I had received at the end of the financial year, and this was a positive experience where I have been able to get a return on the money that I had invested. It's been a motivation to keep on investing. I keep dividends to reinvest in the stock market and diversify my portfolio, specifically in other companies on the market.*
>
> **Informant 4:** *My cash back from my insurance policy. Money I got back helped me for my expenses, savings also. It motivated me to invest in that and help me in the future, plan my future needs.*

On the question of what their positive experiences with money have been, Informant 3 mentions dividends that she has received after investing in stocks, and how this has been a motivation for her to keep on investing. Again, she shows a savvy and sophisticated approach to her money. She also mentions reinvestment and diversification of her investment portfolio, showing her knowledge of the field.

In contrast, Informant 4 has a more conservative approach. She has also invested in a financial product (insurance policy), which can be categorised as a more traditional one. She has a more grounded approach to investment, as she thinks more in terms of how the money can be used to cater for her future needs.

7.2.2.4 Investment depends on an understanding of financial products

Regarding the knowledge that is required for investment, Informant 3 is of the view that a proper understanding of the financial services or products is important. As a scholar, information gathering and processing are important to her. A thorough understanding of the framework, investment infrastructure and possible returns on investment over time are also of prime importance to her, as well as the registration or licence status of the entities that she will be investing with.

As far as Informant 4 is concerned, although she has invested in a more traditional financial product, she seems aware that other forms of investment do exist, when she mentions the buying of shares. She also opines that it is important to educate society on the various forms of investment that exist:

> **Informant 3:** *Yes, so investing it depends on the financial services or products. For example, if I am investing in shares, it will be knowing the stock market of Mauritius or any other stock market. Knowing what are the rules, what are the companies that are listed, what would be the dividends I would expect to get, what would be the listing requirements, whether it is listed and licensed by the FSC. And for example if I am investing in financial products like insurance, I should be going towards insurance companies, knowing how much will I invest, the time period of investment and what would be the returns I would be getting for that. Yes. Since I am passionate about finance and investing, I had an idea about investing in the stock market. Part of my savings goes into investing on the stock market.*
>
> **Informant 4:** *I have invested in a pension plan at work and I think it is very important, in view of unforeseen events. I think that it is a good idea to buy shares … it's important that you educate the society…*

Informant 3 seems quite knowledgeable about the different mechanisms in terms of investment, and she is also very conscious of her expectations with regard to investment. She also has some knowledge about the existing laws in relation to listing rules on the stock exchange and licensing requirements that companies need to fulfil with regard to regulators. She mentions the FSC, which is the regulatory authority for non-banking financial services in Mauritius. She also demonstrated knowledge about the different players and stakeholders of the financial sector and those institutions which, in general, would be providing the required information to potential investors. She mentions that she is already an investor and clearly demonstrates that she knows how to go about carrying out investment in relevant vehicles.

Informant 4 seems to have some knowledge, but it is restricted mostly to investment products or vehicles that are available in her work environment. She mentions that she has invested in a pension plan. While she does not invest in stocks, she seems aware that this can be promising. She also seems to know the importance of financial literacy.

7.2.2.5 Bad experiences with money induce a duty of care

Regarding their bad experiences with money, both Informant 3 and Informant 4 mention that these motivated them to be more careful with their money. Informant 3 says that her bad experience with money is a direct result of the setbacks of the Covid-19 pandemic, where she experienced negative returns after investing in entities which did not perform well financially. This taught her about the need to diversify her investments, so this bad experience has been a learning point for her.

In contrast Informant 4, somewhat like Informant 2 previously, explains that her bad experience was the result of her lending money to a friend in need and not getting the said amount paid back. The cases of both Informant 4 and Informant 2 point to a phenomenon experienced a great deal in the Mauritian context, where money is lent to people in the immediate social circle, without the correct paperwork, and based only on trust. This phenomenon is also referred to in the Finscope Survey for Mauritius (2014), which mentions that around 17% of the Mauritian population have access to informal means of financing.

As far as Informant 4 is concerned, this practice had the result of disrupting her own plans and future actions. Still, she mentions that this was also a learning point for her, as she has learnt to be more cautious with her money. She also advises against lending money to others outside of official channels and without the right paperwork:

> **Informant 3:** *I did invest in companies in the tourism sector which did not perform well due to the lockdown following Covid-19. So I experienced negative return on my investment… I decreased my investment in sectors where I was getting negative returns and diversified my investment in sectors which gave prospect of positive return in the future.*

> **Informant 4:** *I lent a friend in need a large sum of money and never got it back … I learnt that I have to be very careful … This impacted my future plans. We shouldn't lend anyone money. We have to encourage official channels. I would not encourage anyone to borrow money like that. It is safer to have paperwork and go through official channels…*

Informant 3 and Informant 4's bad experiences with money differ a great deal. Informant 3's bad experience with money was a direct consequence of the Covid-19 pandemic; she invested in companies in the tourism sector which did not perform well financially. Her savviness led her to take immediate action after the initial adverse experience, and hence she diversified her investment into sectors which could bring a more positive return.

In contrast, Informant 4's bad experience with money stems from a more psycho-social context, where she didn't get back a large amount of money which she had lent to a friend in need, without any paperwork. This can be the result of unconscious behaviour, too much trust or a lack of awareness of proper paperwork and the process of institutional or organised lending.

7.2.2.6 Financial wellbeing at a later stage in life is a question of farsightedness

Informant 3 and Informant 4 both think that it is important to think about their financial wellbeing after their retirement. This is driven by the fact that they are quite farsighted in their approach. This may also be a result of their academic background and status as professionals working in a sophisticated environment. Their perception is also driven by the fact that saving and investing in a pension plan, for example, can ensure that they have a better lifestyle once they stop working:

> **Informant 3:** *Yes indeed, I have thought about a pension plan in which I can invest for the time being that could help after my retirement.*
>
> **Informant 4:** *I am currently contributing to a retirement policy, to cater for my expenses, especially medical, for a proper lifestyle even when I stop working.*

Both Informant 3 and Informant 4 seem to be aware of the fact that catering for the future is important. While Informant 3 has only thought about it (i.e. a pension plan), Informant 4 is already contributing to a retirement policy, which she believes can help her sustain a proper lifestyle. Age and experience might be a determining factor here, as Informant 3 is still at the beginning of her career while Informant 4 can be considered to be at mid-career level.

7.2.2.7 Financial institutions and regulators are there to help

There is evidence that both Informant 3 and Informant 4 have some knowledge of the institutions that they would be reaching out to if ever they face issues of a financial nature. For example, in cases of issues faced while investing, including fraud, Informant 3 mentions that she would contact relevant institutions, like companies of the insurance sector and regulators of the financial sector in Mauritius (i.e., the FSC) for the non-banking sector and the BOM for the banking sector.

Informant 4 also goes on to mentions that she is very aware of an initiative that has been launched by one of these regulators, namely the Reflexes campaign, to provide relevant information to people. She also mentions banks as a potential source of information:

> **Informant 3:** *Yes, so any issues, it would be to contact those institutions, those financial institutions, for example insurance companies and most important is the FSC and the Bank of Mauritius, regulator, if there is any issue of financial fraud and any suspicion about financial issues I am facing.*
>
> **Informant 4:** *I think that the Financial Services Commission is very helpful because it englobes the insurance sector and others. The FSC, through Reflexes* [information campaign], *they support different sectors… There is also the banking sector, how to invest your money, loans, etc.*

There is a certain level of knowledge here in terms of which institutions should be contacted in case of issues faced while using financial services and products. Both Informant 3 and Informant 4 think that the operators of the financial sector should be contacted in the case of fraud or other issues. They also seem to be aware that the regulators for the financial sector in Mauritius can be contacted. Informant 3 mentions both the FSC (non-banking sector regulatior) and the BOM (regulator for the banking sector), while Informant 4 mentions the FSC and also seems to be aware of a specific initiative that this institution has come up with, namely the 'Reflexes' campaign.

7.2.2.8 Financial literacy is important for financial decision-making

Both Informant 3 and Informant 4 have a certain understanding of financial literacy and believe that it is important in providing the necessary knowledge to people about financial products and institutions that are present in the system.

Informant 3 believes that the financial literacy concept includes financial markets and their products and having a knowledge of the institutions that regulate the financial system. This includes the various kinds of financial products involved and acquiring literacy about any potential threats, including fraud, that can pose problems to the financial system.

Informant 4 goes even further to mention that she is aware of specific programmes by one of the regulators of the financial sector, the FSC, to educate people about money:

> **Informant 3:** *Financial literacy, uh, I think it englobes about financial markets and their products, to be able to know what are or who are the institutions that regulate the financial system, the FSC, the Bank of Mauritius, what are the different types of financial products involved, insurance, pensions, treasury bills, bonds, shares, and being aware, literate of any potential threats that can be a problem in our financial system, any potential financial fraud that could harm the financial system.*

> **Informant 4:** *Uh, so financial literacy is how you educate people to use their money. I have heard about it from the FSC, because they have many programmes for the society, the people, they have been reaching out to people in different areas.*

There is some contrast between their knowledge about the financial literacy concept, in terms of the responses provided. Informant 3 demonstrates some knowledge about financial literacy and believes that it is knowing about the financial markets, products that are available in the market, regulators and their role, and any threats to the financial system, including fraud.

Informant 4 thinks that financial literacy is how people are educated to use their money. She mentions that she has heard it through one of the regulators in Mauritius, namely the FSC, and is also aware of some of the initiatives that it undertakes.

7.2.2.9 There is knowledge about institutions that impart financial literacy

Informant 3 and Informant 4 go on show that they are aware of institutions that impart financial literacy and relevant campaigns that have been implemented in this respect.

Informant 3 is aware of financial literacy initiatives by then financial services regulators in Mauritius, the FSC and the BOM. She is aware that there have been a lot of roadshows and a lot of work on those campaigns by these institutions, to sensitise the public on financial awareness and educate them on financial frauds and risks.

While Informant 4 acknowledges that she is aware of relevant financial literacy campaigns, she feels that more could be done to educate people, especially in view of the Covid-19 situation:

Informant 3: *Yes, by the FSC itself. There has been a lot of roadshows going around, lots of campaigns, the Reflexes campaign recently, those there has been a lot of work on those campaigns and by the BOM as well, the Bank of Mauritius, a lot of campaigns sensitising the public of financial awareness and guarding them against financial frauds and any issues that they may face.*

Informant 4: *There is 'Reflexes', there is the outreach programme. I think there is awareness that has been created because in this critical period of covid, there are some people who we can see they are secured but it is not enough. I would say there should be more education.*

While Informant 3 mentions the FSC and the BOM, Informant 4 mentions the FSC. Both are also aware that said institution, that is, the FSC, recently launched a campaign called 'Reflexes' in this respect. Informant 4 adds that it is critical to create more awareness, especially in the post-Covid period.

7.2.2.10 A targeted approach is important for financial literacy to be effective

Both Informant 3 and Informant 4 believe that an approach to financial literacy that is targeted and specific in terms of the target audience would achieve better results. The youth is a segment that should be explored further, according to Informant 3, while specific messages relating to financial products, the financial system, financial fraud, rights of investors and risks associated to investment should be promoted while carrying out financial literacy. Informant 3 thinks that to be more effective, these initiatives should be more specific in targeting the population, and more awareness should be created among potential young investors into the financial system and financial products.

Informant 4 also tends to think that more programmes should be organised and that the youth is a key segment that should be targeted when it comes to financial literacy and relevant initiatives:

Informant 3: *So I think they are effective, but it also depends on the target audience, so I think to be more effective, we should be more specific towards targeting the population. I think more awareness should be given among the potential young investors of the financial system, to create awareness of the financial products, the* *system, educate people of the financial frauds, of their rights as well and how, uhh … what are the risks involved in each investment in financial products.*

Informant 4: *There should be more programmes, different types of initiatives for the children, because it is important to be educated from a younger age. The new generation needs to be aware about how to use their money.*

On the effectiveness of financial literacy campaigns and relevant messages that should be disseminated, Informant 3 and Informant 4 have a nuanced reaction. While Informant 3 believes that these initiatives are effective, she still feels that this is very dependent on the audience, and that there should be a targeted approach because each segment may have different needs. She cites the example of young investors here.

Informant 4 is of the same view as Informant 3, and also mentions that more programmes should be initiated, mentioning the youth as an important segment that should be targeted when it comes to financial literacy.

7.3 SUMMARY OF THE CHAPTER

The interviews conducted with Informant 3 and Informant 4 were clearly aimed at finding out the perceptions of a different segment of the Mauritian population, one which tends to be savvier and more knowledgeable about financial services and use of money in general.

Some of the meaningful findings from these interviews show that, in general, participants will think about their priorities first when they receive money, while planning is also important. Investment depends on several factors, including previous experiences and knowledge about financial products. There is knowledge about the initiatives organised by local authorities and financial regulatory institutions like the BOM and the FSC. These institutions are also seen as a reliable information source and a medium for acquiring financial literacy, which is also considered as a determining factor for financial decision-making.

Generally, to make informed financial decisions, individuals have a tendency to look for additional information. The participants were of the view that economic institutions, including banks and regulators, can provide them with education and information on topics related to finance. They can also rely on other sources of information to make informed decisions.

Participants think that there should be a targeted approach in terms of relevant segments of the population, for financial literacy efforts to be more effective and achieve the best results.

Another major finding relates to the impact of the Covid-19 pandemic on financial decisions. In a recent study on financial literacy in the Covid-19 pandemic, Yuesti Rustiarini and Suryandari (2020) state that financial learning and understanding must be improved at all levels (educational institutions, rural and urban communities) in order to enable people become financially literate in this difficult situation.

It is clear from the data that was gathered that adults in Mauritius are also concerned about the Covid-19's impact on their financial choices and decisions. The findings from the second set of targeted interviews with Informant 2 and Informant 1 on one hand and Informant 3 and Informant 4 on the other will be further analysed in the discussion chapter that follows, which will also aim to provide analysis in terms of the relevant literature and theoretical framework.

CHAPTER 8: DISCUSSION

8.1 INTRODUCTION

An analysis of findings that arose from this research are provided in this chapter, in line with the existing literature and the theoretical framework. The main findings and analysis are set out in line with the literature, covering financial knowledge and decision-making and the link between financial literacy, financial wellbeing and financial concerns, the effects of limited financial literacy initiatives, and the need to increase such initiatives.

Analysis is in the context of the adult learning theory and social constructivist theory, which are the main theories considered for this study. Findings in line with the theory of financial behaviour and goal-setting theory, which are the sub-theories that were considered, are then discussed. Finally, a summary of the chapter is provided.

8.2 MAIN FINDINGS OF THE STUDY

The analysis in this study aimed to examine the relationship between the level of respondents' financial literacy and their decisions, opinions and practices related to finance. This approach aligns with the work of Chen and Volpe (1998), who explored the impact of financial literacy on individuals' financial behaviour. While most studies in the literature did not ascertain respondents' personal financial management practices, this study did so since they are important in terms of their opinions and decisions.

Generally, respondents possessed a simple knowledge of finance and resorted to the use of simple financial management, especially in dealing with their day-to-day financial needs. Moreover, educated individuals are more likely to know the different types of financial resources available (Lusardi & Mitchell, 2011). Such knowledge indirectly assists them in planning either their current finances or for retirement. Evidently, a respondent's educational background may differentiate their level of financial literacy, especially if they have studied a related subject. This agrees with the findings of several previous studies (Nano & Cani, 2013; Peng et al., 2007). Findings also indicate that those who are highly motivated by their perceptions and awareness concerning financial stability in their life are likely to be more financially literate, which supports Locke and Latham's (2004) findings.

The role of economic institutions, particularly banks and regulatory bodies, as a source of information emerged from the interviews as a theme.

The theory of bounded rationality, as proposed by Simon (1956), suggests that individuals have limited cognitive capacity and information-processing abilities, which can affect their decision-making processes. According to this theory, economic agents, including individuals, may not always make fully rational decisions due to these limitations.

The theory of bounded rationality acknowledges that individuals make decisions based on the information available to them at a given time, aiming to achieve satisfactory outcomes rather than optimal ones.

In the context of financial decision-making, bounded rationality implies that individuals may not have access to complete or perfect information about financial concepts and options. As a result, they may rely on the information provided by economic institutions, such as banks or regulatory bodies, as mentioned by the participants in the study. These institutions play a role in providing some basic financial education and information to individuals.

However, participants also indicated that they seek additional information from other sources within their immediate circle when it comes to finance issues. Friends and family emerged as major social structures for providing participants with basic information on financial literacy. Financial socialisation agents can be family members, friends, the workplace, media and culture (Albeerdy & Gharleghi, 2015), as related to Simon's theory of bounded rationality. To make good decisions, economic agents must enhance their knowledge of the areas in which decisions need to be made (Conlisk, 1996).

The participants who were interviewed also mentioned the Internet and other media as significant financial education sources. Barros (2010) and bounded rationality theory suggest that seeking more knowledge can help overcome limitations imposed by current knowledge on decision-making. In the context of financial decision-making, participants in the study recognised the importance of acquiring information to make better financial decisions. They actively searched for information, utilising various sources such as the Internet, television, magazines, newspapers, and radio.

The popularity of the social media and internet has made them common avenues for accessing financial information. Participants' reliance on these sources highlights their recognition of the need to expand their knowledge beyond the information provided by traditional economic institutions. By utilising these resources, individuals can overcome the limitations of bounded rationality and enhance their decision-making processes.

In summary, participants in the study recognised the importance of seeking more knowledge to overcome limitations in decision-making. They utilised various sources, including the Internet and traditional media, to access financial information. The relationship between financial education and financial behaviour remains a topic of ongoing research, with studies presenting mixed results. While financial literacy is generally beneficial, other factors can also influence financial decisions, highlighting the complexity of the decision-making process.

In general terms, both Shan and Raj possessed a basic knowledge of finance and resorted to using simple financial management, especially when dealing with day-to-day financial needs. Such knowledge indirectly assists them in planning regarding their current financial situation. According to Abdullah and Chong (2014), financial literacy can be defined as the aptitude to make good decisions as regards to management and use of money. It encompasses having the skills, knowledge and understanding necessary to navigate financial matters successfully.

In the study, respondents were asked about their preferences for increasing the financial literacy level. Their opinions and suggestions were sought to understand their perspectives on enhancing their financial knowledge and skills. By gathering this information, the research aimed to identify potential strategies or approaches that could be employed to improve financial literacy among the target group.

Generally, it seems that respondents Shan, Raj, Navi and Vani were only somewhat aware of how they can increase their financial literacy and which institutions could help them to do so. Respondents believe that increasing the financial literacy level is important and that the relevant authorities should provide the necessary measures to encourage financial literacy initiatives.

The review of literature presented in Chapter 2 highlights the diversity in conceptual definitions of financial literacy and the various methods employed for its measurement. Two common approaches to measuring financial literacy are identified in the literature.

The first approach involves administering objective tests or performance tests to measure individuals' understanding and knowledge of financial terms and their aptitude for applying financial concepts to real-life situations. This method has been used in surveys conducted in countries such as the USA and Korea. Performance tests typically consist of multiple-choice or true-false questions that assess individuals' financial knowledge and behaviours. They focus on the cognitive aspects of financial literacy and evaluate individuals' knowledge and skills necessary for making informed financial choices.

The second approach involves using self-report methods to measure individuals' financial understanding, knowledge and attitudes toward financial information, tools and decisions, and information. Surveys conducted in countries like Australia, Japan and the UK have employed this method. Self-reported measures assess individuals' perceived knowledge or confidence in their financial knowledge. It is to be noted however that self-assessed financial knowledge may not always align with individuals' actual understanding of financial concepts. Studies in cognitive psychology have shown that people tend to be overconfident about their knowledge and abilities, including their financial knowledge. This overconfidence can lead to a mismatch between perceived and actual financial literacy levels.

Research suggests that overconfidence in financial knowledge can have implications for individuals' information-seeking behaviour, financial decision-making, and their willingness to seek financial advice. It is important to recognise the potential impact of overconfidence on individuals' financial behaviours and decision-making processes.

Responses in this study do not follow that direction: respondents tended to believe that investment is important, and were also quite precautious and inclined to seek advice before getting into investing.

An OECD report (2005) and other studies have consistently found that individuals tend to overestimate their knowledge and understanding of financial matters. This phenomenon is often observed when objective tests of financial knowledge are combined with self-assessed perceptions of financial knowledge and understanding.

Consumers' tendency to believe they know more than they actually do is not unique to financial literacy. Similar findings have been demonstrated in various domains where individuals overestimate their knowledge and abilities. This cognitive bias of overconfidence has been observed in different areas of knowledge and skills.

The implications of this overconfidence in financial matters are significant. When individuals perceive themselves to be more financially knowledgeable than they actually are, they may be less inclined to seek additional information or advice. This can impact their decision-making and potentially lead to suboptimal financial choices.

Recognizing the existence of this bias is crucial for designing effective financial literacy programmes and interventions. It highlights the importance of not only addressing individuals' actual financial knowledge but also addressing their perceptions and attitudes towards financial matters.

This study found that respondents adopted a more prudential approach when it comes to their financial decisions. While they consider investment to be an intelligent move, they believe in first accessing the necessary advice, both from professionals and other sources.

Analysis in line with different concepts of financial knowledge, decision-making, wellbeing and concerns and the effectiveness of financial literacy follows in the next subsections.

8.2.1 The importance of financial knowledge

The acquisition of financial knowledge is crucial for one's welfare, and policies aimed at improving financial literacy can have significant implications for society as a whole. Lusardi and Mitchell (2014) conducted research to examine the level of financial knowledge among individuals and identify population subgroups with lower levels of financial literacy. They also explored the impact of financial literacy on economic decision-making in the United States and other countries.

Studies have shown a positive relationship between confidence and financial knowledge. People who are more confident tend to be more financially knowledgeable (Parker et al., 2011). Lusardi and Mitchell (2007) categorised financial literacy into basic and sophisticated levels and found that a many Americans lacked basic financial literacy. Less than half of the respondents were able to answer all five basic financial questions, and even fewer could answer all the sophisticated questions.

Lusardi and Mitchell (2014) emphasised that investment in financial knowledge is a specific form of human capital and not solely associated with high education levels.

While individuals with limited personal knowledge can seek advice from knowledgeable sources, including financial professionals, it is important to recognise the significance of financial literacy in decision-making. However, studying financial literacy's impact on decision-making is challenging because financial literacy is not randomly distributed. More literate individuals often possess other characteristics, such patience, abilities and talents that are correlated with financial decision-making.

Overall, the research suggests that financial literacy plays a crucial role in individuals' decision-making processes, and efforts to improve financial knowledge can have far-reaching benefits.

Results from this study tend to support this. Qualitative results showed that most respondents regarded acquiring financial knowledge as important before taking any financial decisions. This knowledge can be acquired in a number of ways, with sources for acquiring financial knowledge, in order, being family and close contacts, financial institutions and the media.

8.2.2 Financial decision-making

One of this study's objectives was to assess the financial literacy level in Mauritius and its impact on financial decision-making. Hence different aspects related to financial knowledge were analysed, and whether these are linked to institutional financial literacy initiatives or lack thereof, through various hypotheses.

Financial literacy is often associated with "formal rationality," as described by Weber (1958 [1920], 1968 [1921]), where general rules based on abstract intellectual concepts guide ways of life and patterns of action. Traditional literacy programmes tend to focus on the dissemination of information and instruction, promoting this type of "technical" rationality. However, other types of rationality, as identified by Weber (1958) and developed by Kalberg (1980), coexist. These include "substantive rationality," which takes into account the interests of the individual's community, and "practical rationality," which involves pragmatic ways of calculating in everyday life, considering the realities and challenges individuals face, such as Informant 1 in this study.

The context of Mauritius provides an interesting setting for research on financial decision-making. The country has recently achieved developed nation status and is known for its educated population due to the policy of free education up to the university level for all citizens. The financial system in Mauritius is increasingly integrated into international markets and serves as a growing regional financial hub, particularly for Africa. The financial markets and services industries in Mauritius, including banking, insurance, and capital markets, are well established. The study suggests that the growing sophistication of the financial sector in Mauritius is reflected in the financial decision-making of adults.

This study's findings are consistent with existing literature on adults in both developing and developed countries. They demonstrate a positive relationship between financial literacy and investment skills. Similar results have been observed in other studies conducted in different countries, such as Scholnick et al. (2013), Klapper and Lusardi (2013). The study conducted in Mauritius supports the notion that financial decision-making is indeed linked to the level of financial literacy.

Overall, the research emphasises the need for effective strategies to enhance financial literacy, considering the diverse rationalities and contexts within which financial decisions are made. The findings from Mauritius contribute to the existing body of knowledge on financial literacy and decision-making in different socio-economic settings.

8.2.3 Relationship between financial literacy, financial wellbeing, and financial concerns

The study assessed the link between financial literacy, concerns and wellbeing and found several significant findings. First, there was a positive relationship between age, education level, marital status, sex, and both financial wellbeing and financial literacy. Second, higher levels of financial wellbeing were associated with greater financial literacy. Third, higher financial literacy was linked to fewer financial concerns, and higher financial wellbeing reduced financial concerns. The findings of this study differ from some previous research. For instance, Malone et al. (2010) found a negative correlation between age and financial concerns, while this study did not establish a link between age and financial concerns. Moreover, previous studies such as Lusardi et al. (2010), Kindle (2010), and Tamimi and Kalli (2009) demonstrated a positive relationship between age and financial literacy, whereas this study rejected the connection between age and financial concerns. The positive relationship between education and financial literacy found in this study aligns with previous research by Chen and Volpe (1998), Volpe et al. (2002), Joo and Grable (2004), Peng et al. (2007), Tamimi and Kalli (2009), Malone et al. (2010), Lusardi et al. (2010), Regarding gender, concluded that men show more concern about financial issues than women, while Joo and Grable (2004) found no relationship between gender and financial wellbeing. The study by Lusardi et al. (2010), Peng et al. (2007), Volpe et al. (2002), and Chen and Volpe (1998) indicated higher financial literacy among men, while Kindle (2010) did not find a relationship between financial literacy and gender. In this study, men exhibited higher financial literacy than women, but the presence of a relationship between gender and financial literacy or financial concerns was not established. Differences in findings across studies may be attributed to variations in time, place, and cultural context. Economic conditions, technology, values, culture, and norms can change over time and impact perceptions related to financial wellbeing, concerns, and literacy. The meaning of financial wellbeing has evolved from mere satisfaction with one's financial position to encompass the material and spiritual aspects of financial situations, aiming to improve living standards. The findings of this study align with previous research by Tamimi and Kalli (2009), who demonstrated the positive impact of financial literacy on financial wellbeing, and Joo and Grable (2004)), who revealed the negative impact of financial literacy on financial concerns. Strong financial literacy enhances participation in economic activities, such as saving, making informed purchasing decisions, proper investing, managing assets, utilizing insurance, and effectively managing debt and credit. It also contributes to improved financial wellbeing by enabling individuals to meet their needs, achieve compatibility between income and expenses, and have a reasonable assessment of their financial position. Ultimately, higher financial literacy reduces stress and worry related to financial issues.

8.2.4 Effects of a lack of financial literacy initiatives

Another major finding is that adult Mauritians in general trust the initiatives organised by local authorities and financial regulatory institutions like the BOM and FSC Mauritius. They see them as a reliable source of information and a medium to acquire financial literacy. Respondents also consider lack of financial literacy among the Mauritian population as directly linked to limited financial literacy initiatives.

Most respondents knew about at least one financial literacy initiative, but this does not seem to be enough. This means that regulatory institutions should create more awareness about these initiatives if they want to maintain a high level of financial literacy. There is an eminent lack of awareness of the existing financial services, which is not related to the age of participants. It is of the utmost importance to note that in this modern era of increasing innovation, people are not more acquainted with financial products like savings and current accounts. Instead, people have shifted their focus to investing in innovative financial products such as shares.

This is reflected in the moderate correlation coefficient of 0.411 noted between awareness of shares and age.

At some point, the fall in the key repo rate – that reached a low rate of 1.85% in Mauritius – reduced the overall savings deposit rate, which discourages people from saving and instead incentivises investing in financial services. The central BOM has nevertheless made some effort to address this issue.

Enhancements in the financial sector have now eased financial transactions, for example, through mobile banking applications, with promotion of financial literacy. The use of mobile banking services with respect to age has a strong correlation coefficient of 0.614. This projects the ease with which young adults, who form part of the major users of financial services, are adept in the use of technology through mobile phones; this is now an integral part of the financial sector and contributes to financial literacy.

8.2.5 Increasing the effectiveness of financial literacy initiatives

Promoting financial literacy and influencing saving and wealth accumulation requires effective strategies and targeted programmes. According to Lusardi (2013), schools and the workplace are ideal venues for delivering financial literacy education. Introducing financial literacy into school curricula can provide long-term benefits by equipping students with essential knowledge and skills early on. Workplace programmes, although often limited to one-time seminars, can still have an impact, but more comprehensive and ongoing interventions are needed to address widespread financial illiteracy.

Lusardi (2013) suggests that multiple financial education sessions can be effective in stimulating saving among low-income individuals who are typically less inclined to save. It is crucial to target education programmes towards specific population groups, such as women who tend to have lower levels of financial literacy. By tailoring programmes to the needs of these groups, financial literacy can be improved where it is most needed.

To promote savings, it is important to facilitate and simplify the decision-making process for individuals. This includes helping workers implement saving plans and providing guidance on taking action. Many financial education programmes impact workers' intentions to modify their saving or investment behavior, but translating those intentions into action can be a challenge. Planning aids and cost-effective strategies can help individuals follow through on their intentions and simplify decision-making, especially for those with low financial literacy.

In a world of increasing individual financial responsibility and complex financial products, financial literacy is becoming indispensable. Just as being literate is essential for success in today's society, acquiring basic knowledge of economics and finance through financial literacy is crucial for navigating the current financial system.

Effective financial literacy programmes go beyond simply spreading information and advice. They must consider the social conditions in which information is mobilised and translated into practice and overall wellbeing. Relevance and age-appropriateness are key factors in designing effective programmes, particularly for young adults who may lack real-world experience in making long-term financial decisions. Cultivating sound financial habits from a young age can have long-term positive consequences.

To increase effectiveness of financial literacy programmes, they should be interactive, relevant, and enjoyable. Moving away from purely didactic approaches, programmes should incorporate interactive activities and promote motivation and enjoyment. Contextualising financial concepts and relating them to participants' lives can improve their financial confidence and engagement in the learning process.

By implementing these strategies and principles, financial literacy programmes can empower individuals, improve financial decision-making, and contribute to overall financial wellbeing.

8.3 DISCUSSION IN LINE WITH THE THEORETICAL FRAMEWORK

Discussion of the findings of this study in line with the theoretical framework adopted is given below. The main theories considered are adult learning theory and social constructivist theory, with sub-theories considered for this study being the theory of financial behaviour and goal-setting theory.

8.3.1 Adult learning (andragogy) and financial literacy

Klein (2007) highlights a significant gap in many financial literacy programmes, which is the lack of attention to adult learning theory, learning environments, and culturally responsive teaching. Instead, these programmes have often been developed based on financial risk investment models, life cycle consumption theories, or behavioural modification models adapted from health behaviour models.

In contrast, this study takes a theoretical orientation of adult learning, with a focus on transformative learning, critical curriculum, and culturally responsive pedagogy. This orientation recognises the diverse needs of adult learners from various groups and aims to facilitate learning that leads to sustained change.

The participants in this study had varied conceptions of financial literacy, but there was a shared emphasis on the importance of understanding. They recognised the significance of being knowledgeable about essential financial information and understanding its relevance to their personal financial situations. This highlights the need for financial literacy programmes to address both knowledge acquisition and the practical application of that knowledge in real-life contexts.

By incorporating adult learning principles, transformative learning approaches, and culturally responsive curriculum and pedagogy, financial literacy programmes can better meet the needs of adult learners and facilitate meaningful learning experiences that can lead to lasting change in their financial behaviours and decision-making.

Respondents in this study also had a tendency to lay emphasis on specific skills; for example, Ruby stated: "To be financially literate, you've really got to understand the credit world well", while Informant 3 stated that a financially literate person was: "Somebody who can plan." Ash, an educator, stated: "a financially-literate person either understands or knows where to get that information."

However, access to financial only is not important, there must also be an understanding in relation to particular financial situations. Informant 1 for example mentioned that a financially literate person "would be able to interact with a bank in a way as not to become unnecessarily indebted." He explained that "this means that you must know what you have in the bank and to have some financial goals that you are working towards and to be saving."

The notion that information is necessary for changing financial behaviour is a central theme within financial literacy. The availability of financial literacy information, such as through educational settings, tends to have a stronger influence on practice than the educational setting or the learners' interests alone. This highlights the importance of providing comprehensive and relevant information in financial literacy programmes. Qualitative interviews conducted in this study revealed that there is an emotional component to financial literacy. Some educators recognise the role of emotions in financial decision-making and incorporate strategies to help participants develop behaviours that consider the context of their lives. However, there is pedagogical variation among educators, and long-term evaluation of the effects of financial literacy programmes remains a challenge. The challenge of varied approaches to financial literacy and the need for evaluations highlights the importance of further research in developing core financial objectives while acknowledging the differences within communities and among learners. This research can contribute to improving financial literacy for different populations and to the training of future financial literacy educators.

In line with adult learning theory or andragogy, as advocated by Knowles (1984) and applied to financial literacy by Shirer and Tobe (2004), the data obtained from respondents in this study indicates a willingness to learn more about financial literacy. Participants are aware of financial literacy initiatives but believe that there is a need to increase awareness and sensitise people through outreach and other means.

Furthermore, the data highlights the importance of integrating individual money management with the financial context when teaching financial literacy. Understanding the interrelation between individuals and their financial context should be the focus when designing financial literacy programmes, recognising that financial decision-making is influenced by external factors and socio-economic conditions.

Overall, this emphasises the need for comprehensive and contextually relevant financial literacy programmes that address both the informational and emotional aspects of financial decision-making while considering the diverse needs and circumstances of learners.

8.3.2 Social constructivist theory and financial literacy

The theory of transformative learning focuses on the necessary change in a learner's preconceptions and worldview. It asserts that knowledge is constructed by the learner and is shaped within a social context through dialogue, exchange, and collaboration with peers. This theory highlights the importance of challenging and transforming existing beliefs and perspectives to foster deeper learning.

Family interactions and social environments are considered important factors for the development of financial literacy. Collins and Holden (2014) examined the effectiveness of financial education programmes for adults and identified gaps in programme design, knowledge sharing, and outcome assessment. Buckland (2014) used situated learning theory to explore the impact of financial exclusion on adult learning in the area of finances. Chinen and Endo (2014) investigated financial literacy levels and confidence in college students in the USA and Japan.

Aliero and Ibrahim (2013) applied content analysis, a method associated with social constructivism, to study the role of credit-deepening on youth empowerment and poverty reduction in Nigeria. They concluded that financial knowledge acquired through access to credit could contribute to economic growth and youth empowerment.

Breitstein and Dini (2011) discussed the subjective perception of the nature of money and its influence on individual and collective behavior from a social constructivist perspective. They highlighted the role of the social context in shaping individuals' understanding and interactions with money.

The social constructivist approach has been particularly useful for studying informal learning, including the acquisition of financial literacy, as it recognises the influence of social interactions and contexts on knowledge construction. By considering the social and collaborative aspects of learning, this approach can inform the design and implementation of effective financial literacy programmes and interventions.

Many respondents tended to opine that family, colleagues and close acquaintances are major sources of advice when making financial decisions. Since Mauritius is a relatively small economy, respondents believed that national financial literacy initiatives can positively impact the population's financial literacy level and decisions.

Findings showed that respondents believed that financial decisions are based on their own and others' experience, as they believe that guidance and advice must be sought before investing. The aspect of how good experiences with money instill confidence is important to consider here.

In this study, Shan and Raj had different bad experiences with money. Informant 1, as a young person, made some rash decisions in relation to his project and spent inconsiderately. Raj is from a different generation and his bad experience with money resulted from trusting those in his immediate social space.

Financial literacy programmes, I believe can be used as tools of social justice. By providing individuals with understanding, knowledge, skills, confidence and motivation in managing their personal finances, financial literacy programmes can contribute to equal opportunities for all individuals, irrespective of their living conditions and social environment. Such programmes can empower individuals to make informed financial decisions and navigate the financial system more effectively.

Approaching financial matters from a societal perspective is indeed crucial. It involves considering the broader context in which individuals interact with the financial system, including the social, economic, and cultural factors that shape their financial behaviours and outcomes. This perspective can help identify systemic barriers and inequalities that may hinder individuals' financial wellbeing.

Furthermore, teaching vital issues such as saving and pension planning is significant. Governments play a key role in shaping financial education policies and providing access to comprehensive financial literacy programmes. By addressing these topics and ensuring their inclusion in educational curricula, governments can empower individuals to plan for their future financial security and reduce their dependence on the financial system alone.

Overall, there is a need for ongoing research and collaboration between various stakeholders, including governments, educational institutions, financial institutions, and community organisations, to enhance financial literacy initiatives and promote social justice by equipping individuals with the necessary knowledge and skills to navigate the financial landscape successfully.

8.3.3 The theory of financial behaviour

Xiao (2008) defined financial behaviour as any human behaviour that is relevant to money management. There are however certain limitations in relation to how traditional economic theory can explain real life financial behaviour. Behavioural finance seeks to understand how psychological and behavioural factors influence financial decision-making.

Behavioural finance recognises that investors are not always perfectly rational and do not always make decisions based solely on available data and mathematical models. Instead, human biases, emotions, and cognitive limitations can affect decision-making processes. Market anomalies, such as speculative bubbles and overreactions or underreactions to new information, provide evidence that financial decision-making involves more than just rational calculations.

Financial education has been shown to have a positive impact on individuals' behaviour and attitudes towards money practices. By increasing financial literacy and awareness of various investment avenues, individuals can make more informed decisions about saving, spending, investing, and managing risk. Factors such as age, education, occupation, and income level can also influence financial behaviour and awareness of investment opportunities.

Overall, understanding the factors that shape financial behaviour is crucial for developing effective financial education programmes and improving individuals' financial outcomes. Behavioural finance provides valuable insights into the complexities of decision-making and can help bridge the gap between theory and real-world financial practices.

Shan, Raj, Navi and Vani adopted a rather prudential behavioural approach when it comes to their financial decisions. While they consider investment to be an intelligent move, they believe necessary advice must be sought first both from professionals and others. Responses obtained in our study made it clear that financial decisions taken by respondents result from the information that is available to them. Almost all respondents contended that it is important to seek advice, either from professionals, close family members or acquaintances, before investing.

While financial literacy does not necessarily equate to financial advice, it is perceived as an essential element that respondents take into consideration before making any investment-related decisions, and is where more effort needs to be deployed by competent authorities.

Shan, Raj, Navi and Vani all supported the view that financial literacy can lead to proper financial planning, good financial behaviour, and eventually financial wellbeing.

The participants' recognition of economic institutions providing them with financial information and education is important. Increasing knowledge in specific areas is crucial for individuals to make quality decisions. This aligns with the concept of bounded rationality, which suggests that individuals make decisions based on the information available to them, even if those decisions are not optimal.

To make better decisions, individuals tend to look for more information. The identification of critical areas where financial literacy may be lacking can help educators, financial institutions and regulators to design programmes and courses that address those gaps. This can empower individuals to obtain greater financial freedom and prepare themselves better for retirement.

Traditional and online media emerged as significant sources of financial education in the participants' experiences. Seeking more knowledge is seen as a way to overcome the limitations of current knowledge and improve decision-making. Access to relevant and reliable information is crucial for individuals to make better financial decisions.

Overall, the recognition of the need for knowledge acquisition and the role of different sources of information highlights the importance of continuous learning and staying informed in the realm of personal finance.

The popularity of the media makes this a common route for accessing information.

Shan, Raj, Navi and Vani believe that sensitisation on financial literacy is of prime importance. While Raj mentions a more conventional approach to financial literacy through workshops and traditional media, while Informant 1, as a youth, thinks that online media can also be used to create awareness. Vani feels that a campaign targeted at the youth should be encouraged.

The challenge of getting working-age adults to attend financial education classes is indeed significant, as highlighted by Farsagli et al. (2016). Recognising this, it becomes crucial to explore alternative approaches that can effectively disseminate financial knowledge to this segment.

One effective solution is to provide relevant information at the point of need, when individuals are making financial decisions. This approach acknowledges that adults have limited leisure time and may not be inclined to dedicate it to attending traditional classes. Decision-supporting tools can play an important role in this regard. By assisting individuals in making informed choices, these tools not only help them make better decisions but also enhance their financial literacy. This approach aligns with the concept of experiential learning, where individuals learn by engaging in real-life situations and applying their knowledge and skills.

Simulations that allow users to access more general information and make choices in real-life scenarios can serve as effective teaching tools. By providing a hands-on experience, these simulations can help adult learners understand the impact of their financial decisions and develop practical financial skills.

Experiential learning approaches, such as decision-supporting tools and simulations, offer promising avenues for making adults financially literate. By delivering relevant information and facilitating real-life decision-making, these methods address the constraints faced by working-age adults and provide them with practical knowledge and skills to navigate the complexities of personal finance.

8.3.4 Goal-setting theory and financial literacy

The goal-setting theory of motivation, as proposed by Locke (1968), suggests that setting clear goals is essential for driving progress and motivation. This theory can be applied to achieving financial goals by providing a framework for individuals to specify the tasks and actions necessary to achieve their financial objectives.

Setting clear financial goals helps individuals establish a sense of direction and prioritise their financial tasks. By defining their financial weaknesses and dreams, individuals can identify specific and measurable goals that are both possible and practical. This clarity in goal-setting enables individuals to focus their behaviour and actions toward achieving those goals.

According to the goal-setting theory, the level of challenge in pursuing a goal plays a significant role in motivation. When individuals perceive a goal as challenging and meaningful, they are more likely to stay motivated and committed to its attainment. The theory suggests that the sense of challenge and progress toward a goal can be more influential than the rewards associated with achieving it.

Based on the gathered data, it is evident that respondents recognise the importance of financial planning. Planning allows individuals to save for future projects, initiatives, and unforeseen circumstances. By incorporating the goal-setting theory, individuals can apply a directional approach to their financial planning, setting clear objectives, and identifying the necessary tasks to achieve them.

The goal-setting theory can be a valuable tool in achieving financial goals. By clarifying objectives, making tasks measurable, and embracing challenges, individuals can enhance their motivation and stay on track toward their desired financial outcomes.

8.4 SUMMARY OF THE CHAPTER

This chapter was devoted to the discussion of findings in line with the literature reviewed and theoretical lens that has been adopted in the context of this study.

Main findings point out at the following: Respondents normally possess a basic knowledge of finance and have resort to the use of simple financial management, especially in dealing with day-to-day financial needs.

The findings of the study align with existing literature on financial literacy and its impact on individuals' financial decision-making and wellbeing. Participants in the study acknowledged that economic institutions provide some financial education, but they also rely on information from their immediate circles, highlighting the importance of social networks in acquiring financial knowledge.

The study confirms the positive relationship between financial literacy and investment skills, which has been observed in both developed and developing countries. Higher levels of financial literacy contribute to reduced financial concerns by improving individuals' ability to meet their needs and manage their financial income and expenses effectively. It also enables individuals to assess their financial position accurately and understand their economic situation without stress.

To empower individuals fully, financial literacy programmes should go beyond simply disseminating information and advice. They should consider the social conditions in which this information is applied and translated into practice and wellbeing. The interrelation between individuals and their financial contexts should be a central focus when designing financial literacy programmes.

The data also suggests that financial matters should be approached from a societal perspective, addressing the underlying reasons why individuals interact with the financial system. Understanding the societal factors influencing financial behaviours and decisions can contribute to more effective financial literacy initiatives.

Overall, the study emphasises the necessity to integrate financial literacy into the social fabric, considering individual and societal contexts, and designing comprehensive programmes that go beyond information dissemination to empower individuals and enhance their financial wellbeing.

From the responses obtained in this study, it is also clear that financial decisions taken by respondents result from the information that is available to them. Almost all respondents believe that it is important to seek advice before investing, either from professionals, close family members or acquaintances.

From the data that was gathered we can also assume that all respondents consider planning to be very important when it comes to their money, as this allows them to save for future projects and initiatives and cater for unforeseen circumstances.

CHAPTER 9: CONCLUSION AND RECOMMENDATIONS

9.1 INTRODUCTION

The final chapter of the study serves as a summary of the main findings and conclusions drawn from the data collected. It begins with an overview of the study, including a brief summary of the background, rationale, and research questions that guided the research. This provides context for understanding the significance of the findings.

The chapter then outlines the literature review, theoretical framework, and methodology employed in the study, highlighting the theoretical foundations and the approach taken to gather and analyse the data. This section helps understand the basis on which the study was conducted.

Next, the chapter presents the key findings of the study, derived from both quantitative and qualitative analyses. These findings are related to the research questions and compared with existing empirical evidence to establish their validity and relevance.

The limitations of the study are also acknowledged, highlighting any constraints or shortcomings in the research design, data collection, or analysis process. Recognising these limitations provides a balanced perspective on the study's results and opens avenues for future research to address these limitations.

Finally, the chapter concludes with a set of recommendations aimed at enhancing the financial literacy of the citizens of Mauritius. These recommendations are based on the study's findings and aim to inform policymakers, educators, and other stakeholders on actions that can be taken to improve financial literacy in the country.

In closing, the chapter offers concluding remarks, summarising the main findings, conclusions, and recommendations of the study. It may also discuss the broader implications of the research and suggest areas for further exploration or future studies in the field of financial literacy.

9.2 OVERVIEW OF THE STUDY

9.2.1 Background, rationale and research questions

In the first chapter I provided the background and rationale for this study, which aims at providing deeper insight into understanding Mauritian society in relation to financial literacy, and to enhance understanding of how financial literacy is perceived and used for decision-making.

The rationale for my study stemmed from the fact that in our modern and dynamic society, characterised by monetisation of almost everything, consumers of financial services and products need financial skills.

The aim of the study was to assess the level of financial literacy among adult Mauritians and examine how this knowledge is utilised in their financial decision-making processes. The study recognised the importance of being well-informed about financial options and possessing financial literacy to make informed decisions in the ever-changing financial market.

Financial literacy was viewed as a critical skill that not only enables individuals to make sound financial decisions but also prepares them for economic uncertainties by promoting risk-mitigating strategies such as saving, asset diversification, and insurance coverage. It was acknowledged that individuals' knowledge of finance and economics significantly influences their financial choices.

The study emphasised the need to understand the financial literacy levels of different demographic groups, particularly the youth and the working population, so as to develop effective financial education programmes. Improving financial literacy was deemed essential for individual, household, and business development, as it encompasses crucial skills in budgeting, saving, investment, and risk management.

Therefore, the study aimed to examine the extent of financial knowledge among adult Mauritians, including their understanding of financial matters, risk management, and familiarity with various financial products such as stocks. The objective was to gain insights into how financial literacy contributes to making informed and prudent financial decisions.

By exploring the financial literacy levels and decision-making processes of adult Mauritians, the study sought to shed light on the current state of financial literacy in the country and provide valuable insights for policymakers, educators, and other stakeholders to enhance financial education initiatives and promote better financial decision-making among the population.

. Specific objectives of the study were:

- To determine the financial knowledge and ability to communicate about financial concepts of adult Mauritians.
- To generate insights into the aptitude to manage personal finances and make certain financial choices.
- To determine whether adult Mauritians are able to make financial decisions and plan for their future needs.
- To examine the extent to which local authorities contribute to enhancing the general financial literacy of citizens through appropriate programmes.

To attain these aims and objectives, I was guided by the following research questions:

1. What is the state of financial literacy among the adult population of Mauritius?
2. How do Mauritians become financially literate?
3. How do such learning experiences influence financial decision-making?
4. Why does acquisition of financial literacy happen in this particular way in Mauritius?

9.2.2 Literature review

Various definitions of financial literacy have been explored, with almost all authors linking it to financial decision-making – which is the goal of acquiring financial literacy in the first place. From a global context, financial literacy levels differ from country to country. Developing countries, including those in sub-Saharan Africa, are often underrepresented in research conducted in the field, with the result that these countries are less knowledgeable about the concept of financial literacy. A developing country like Mauritius has faced difficulties because of the lack of financial literacy, and there is the necessity to establish financial education programmes to enhance the literacy level of the citizens. Lusardi, Hasler and Yakoboski (2021) researched how financial literacy contributes to the alleviation of poverty, assisting vulnerable groups and reducing income inequality, among others.

Another aspect that was explored in the literature is how financial literacy can be an integral part of adult and community learning, and how it can be enhanced in specific adult groups according to their situation and needs. Financial literacy levels have been measured and the effectiveness of financial literacy programmes has been investigated. Specific financial behaviours have been examined, along with their link to human psychology and how certain biases can arise because of limited financial literacy (Rai, Dua & Yadav, 2019). Financial literacy's impact on market participation and financial decision-making was reviewed.

There is however limited research on how financial literacy can help individuals to protect themselves through insurance, secure their future through educational or retirement plans, or ensure their financial wellbeing through investment in the stock market, for example. What also needs to be researched are trends in terms of their spending and savings, and the amount of money they devote to investment in financial services and products for their protection and wellbeing.

9.2.3 Theoretical framing

After analysis carried out through the lens of the theories mentioned below, the following can be inferred.

Most financial literacy programmes are developed without considering adult learning theory, including the learning environments which are essential to enable adults to learn the different concepts related to financial management.

The theoretical orientation on adult learning in the context of financial literacy encompasses transformative learning, critical and culturally responsive curriculum/pedagogy, socio-constructivism, and situated learning theory. These theories provide valuable insights into designing effective educational approaches that cater to the diverse needs of adult learners and promote sustained change.

Transformative learning theory emphasises the need for learners to critically examine and challenge their existing beliefs and assumptions, leading to a shift in their perspectives and worldviews. In the context of financial literacy, this theory highlights the importance of facilitating transformative learning experiences that enable individuals to question and reshape their understanding of financial concepts and practices.

Critical and culturally responsive curriculum/pedagogy recognises the influence of socio-cultural factors on learning. It emphasises the need to design educational materials and approaches that are culturally relevant and address the specific needs and contexts of adult learners from diverse backgrounds. This approach promotes inclusive and equitable financial education that respects learners' cultural identities and experiences.

Socio-constructivism emphasises the collaborative nature of learning, where individuals construct knowledge through social interaction and collaboration with others. In the context of financial literacy, this theory emphasises the importance of creating learning environments that encourage dialogue, exchange of ideas, and peer collaboration, allowing learners to build on their existing knowledge and understanding.

Situated learning theory posits that learning occurs within the context in which it is applied and has real-life relevance. Understanding the financial experiences and challenges faced by individuals in their everyday lives is crucial for effective financial education. By applying situated learning theory, educators can tailor their teaching approaches to address the specific financial needs and circumstances of adult learners, making the learning process more meaningful and applicable to their lives.

These theoretical perspectives provide valuable insights into the design and implementation of financial literacy programmes for adults. By incorporating elements of transformative learning, critical and culturally responsive curriculum/pedagogy, socio-constructivism, and situated learning theory, financial education initiatives can be more effective in empowering individuals and promoting financial wellbeing.

Many respondents indicated that family, colleagues and close acquaintances are a major source of advice when it comes to taking financial decisions. Mauritius being a relatively small economy, respondents are also of the view that national financial literacy initiatives can positively impact on the population’s financial literacy level and decisions.

The economic theory on investment decisions treats individual investment decisions as a macroeconomic aggregate, with microeconomic foundations drawn from intertemporal utility theory. This theory assumes that decision makers are perfectly rational and fully able to use all the information available to them before investing.

According to Fluellen (2013), financial education can bring about positive change in behaviour and attitudes to financial practices like spending, saving, investment and risk management. Chaturvedi and Khare (2012) found that an individual's age, education, occupation and income level affect their investment behaviour. Participants Shan, Raj, Navi and Vani tended to adopt a prudential approach regarding their financial decisions, in that while they consider investment to be an intelligent move, they believe in seeking the necessary advice first, from professional and other sources.

While financial literacy does not necessarily equate to financial advice, it is perceived as an essential element that respondents consider before taking any investment-related decisions – and this is where more effort needs to be deployed by competent authorities. The participants' observation regarding economic institutions providing them with financial information aligns with the idea that individuals rely on available information when making decisions. Bounded rationality theory, as proposed by Simon (1956), suggests that individuals make decisions based on the information they have, even if it may not be the optimal solution. However, individuals have a natural tendency to seek more information in order to make better decisions.

Identifying critical areas in financial literacy can be beneficial for designing effective financial planning courses. Educators, regulators, and financial institutions can focus on these areas to provide targeted education and support to adults. By addressing the specific needs and challenges faced by individuals in areas such as retirement planning, saving, and investment, financial education programmes can empower individuals to make informed decisions and improve their financial wellbeing.

The recognition of the importance of financial freedom and retirement preparedness highlights the significance of providing comprehensive financial education to adults. By equipping individuals with the necessary knowledge and skills, financial literacy initiatives can enable individuals to navigate the complexities of personal finance, make informed decisions, and achieve greater financial security.

Traditional and online media surfaced as significant sources of financial education.

9.2.4 Methodology

The use of a mixed-methods approach, with a combination of qualitative and quantitative methods, is a valuable strategy for capturing a comprehensive understanding of the respondents' level of financial literacy. This approach allows for a deeper exploration of the participants' experiences and perspectives while also providing statistical data to identify patterns and trends.

The concurrent design employed in this study involved analysing both types of data simultaneously, comparing and contrasting the results to generate a more comprehensive picture (Zhang, 2009). This approach ensures that the analysis is not limited to one method alone but benefits from the strengths of both qualitative and quantitative approaches.

Quantitative analysis provides statistical data that can help identify patterns, group data, and focus on major characteristics. This quantitative component contributes to the overall analysis by providing a broader context and statistical evidence.

On the other hand, qualitative analysis allows for a more in-depth exploration of the participants' understanding and experiences of financial literacy. By conducting purposeful interviews with a selected sample from the quantitative group, I gained richer insights and an opportunity for participants to elaborate on their quantitative responses.

The research cycle followed in this study, involving assumptions, hypothesis generation and testing, research design, analysis, and making inferences, demonstrates a rigorous and systematic approach to data collection and analysis.

This study’s purpose is to enhance knowledge and understanding of financial literacy among adult Mauritians and provide a basis for the development of relevant financial literacy programmes. By assessing the perceptions of the target group through questionnaires and in-depth interviews, the study aimed to inform the design and implementation of effective financial literacy initiatives.

Overall, the use of a mixed-methods approach in this research enableed a comprehensive evaluation of financial literacy and contributeed to a more nuanced understanding of the participants' perspectives and experiences.

The tool used for qualitative data gathering was the semi-structured interview. An elaborate toolkit of methodologies and tools was used, according to the different research, for a more focused and organised approach.

9.2.5 Key findings

The data analysis, findings and discussion were presented in Chapters 5, 6, 7 and 8. A summary of the findings along the lines of the research questions appears below.

Research question one:

What is the state of financial literacy among the adult Mauritian population?

A number of key findings were obtained regarding the state of financial literacy among the Mauritian population.

Financial literacy seems to be quite a subjective concept. Many respondents in this study seemed to adopt certain behaviour in relation to money matters, depending on their own experiences and exposure to certain types of information, through specific media which they use on a daily basis.

As a general observation, respondents possessed a basic knowledge of finance and resorted to the use of simple financial management, especially in dealing with day-to-day financial needs. Educated individuals are more likely to know about the different types of financial resources, which indirectly assists them in planning their finances. Evidently, a respondent’s educational background may differentiate the level of financial literacy, especially if that respondent has learnt a related subject.

The findings of the study suggest that motivation plays a significant role in individuals' financial literacy. Those who are highly motivated by their perceptions and awareness of financial stability in their lives tend to have higher levels of financial literacy. This highlights the importance of personal motivation in driving individuals to acquire financial knowledge and skills.

The study also revealed a positive relationship between financial wellbeing and financial literacy. Higher levels of financial literacy were associated with better financial wellbeing and fewer financial concerns. This suggests that individuals who are more financially literate are better equipped to manage their finances, make informed decisions, and achieve a sense of financial security and satisfaction.

Furthermore, the study found a positive relationship between age and financial literacy. As individuals get older, their financial literacy tends to increase, indicating that experience and exposure to financial matters over time contribute to improved financial decision-making abilities.

The changing economic conditions, values, technology, norms and culture in communities, as well as the influence of location and time, can impact individuals' perceptions of financial wellbeing. Factors such as income satisfaction, savings, comfort, safety and the distribution of income and bonuses can influence individuals' perception of their financial wellbeing. Financial literacy can play a role in shaping these perceptions by providing individuals with the necessary skills and knowledge to effectively manage their finances and achieve their desired standard of living.

Overall, the study suggests that financial literacy is crucial for individuals to develop financial management abilities and participate successfully in economic activities. It enables individuals to make informed decisions regarding savings, purchasing, investments, asset management, debt and credit management, and overall financial wellbeing. By improving financial literacy, individuals can reduce financial concerns and achieve a better balance between their income and expenses.

High financial literacy also enables a person to carry out a proper assessment of their economic situation, and to have with fewer concerns about financial issues.

Research question two:

How do Mauritians become financially literate?

The findings indicated that those who are highly motivated by their perceptions and awareness concerning financial stability in their life are likely to be more financially literate.

Respondents indicated that people who are financially literate are able to manage and use their money properly and adopt a hands-on approach to money matters (for example, through proper planning and credit management). It is also believed that financially literate people understand or know where to get relevant information about their personal financial situation. It is also important to have financial goals to work towards and to develop skills in the use of money.

The data also showed a willingness to learn more about financial literacy, and that the respondents are quite aware of financial literacy initiatives being carried out. Nevertheless, it is believed that there is a need to increase the awareness and sensitisation of people and to make them more financially literate overall through outreach and other means.

Some of the sources of information that participants use to acquire the necessary information before making financial decisions are the Internet and other media, including social media. The popularity and accessibility of these have made them common routes used by participants to access information. Other traditional media cited as sources of information on finance were television, magazines, newspapers, and the radio.

Respondents consider the limited financial literacy rate of Mauritians to be directly linked to limited initiatives. There is also limited awareness of the existing financial products, which needs to be addressed by economic institutions including market players and regulatory authorities.

There is knowledge about initiatives organised by local authorities and financial regulatory institutions like the BOM and the FSC. These institutions are also seen as reliable sources of information and a way to acquire financial literacy and enhance financial decision-making.

Many respondents were of the view that acquiring financial knowledge is important before taking any financial decision. This knowledge can be acquired in a number of ways, with the most popular sources, in order, being family and close contacts, financial institutions and the media.

It can therefore easily be inferred that acquiring the necessary habits and skills are crucial to create a financially literate society.

Research question three:

How do such learning experiences influence financial decision-making?

Analysis has shown that the financial decision-making level is indeed linked to the financial literacy level, confirming the results of studies done globally. Analysis also shows that the situation in Mauritius is not different from the global situation. Respondents who have certain knowledge generally seem to have recourse to simple money management and investment tools, rather than sophisticated ones. Emotions and impulses also emerged as a factor which impacts on spending and money mismanagement. Influence and sometimes pressure from inner circles can also have an impact on how money is spent and managed.

This study's findings also indicated that participants seem to adopt a certain behaviour in relation to money matters, depending on their own experiences and exposure to various types of information, through specific media which they use daily. Some of the sources of information that participants view to acquire the necessary information before taking financial decisions include the Internet and other media, including social media.

Based on data collected, it can also be said that respondents tended to adopt a prudential approach in terms of their financial decisions. While they consider investment to be an intelligent move, they believe that the necessary advice must first be sought, from both professionals and other sources.

The findings also indicate that financial decisions are now more contextual and complex, requiring careful strategies, and that the need to develop the correct skills, knowledge, attitudes and behaviours to money management is essential. The financial sector in Mauritius is acquiring a certain degree of sophistication, and allows scope for effective financial decision-making by adults. A positive relationship has also been established between financial literacy and investment skill. It can hence be affirmed that the financial decision-making level is indeed linked to the financial literacy level in Mauritius.

The findings from Parker et al. (2011) and Lusardi and Mitchell (2014) indicate that confidence and knowledge in financial matters are positively correlated. People who have higher levels of confidence tend to possess greater financial knowledge. This suggests that individuals who feel more assured about their financial understanding are more likely to have a higher level of financial literacy.

Moreover, the studies suggest that both general knowledge (education) and specialised knowledge (financial literacy) contribute to making more informed financial decisions. General knowledge, obtained through education, provides individuals with a foundation for understanding various concepts related to finance. On the other hand, specialised knowledge in financial literacy equips individuals with specific skills and knowledge related to managing personal finances, investments, and financial decision-making.

For individuals with limited personal knowledge in financial matters, seeking advice from those who are more knowledgeable, such as financial professionals, can help them avoid making mistakes and make more informed decisions. Recognising the importance of financial literacy, individuals understand the value of acquiring the necessary knowledge and skills to navigate the complexities of personal finance effectively.

Overall, the findings suggest that confidence, knowledge, and financial literacy are interconnected. Building confidence in financial matters can be facilitated by increasing financial knowledge through education and specialized financial literacy programmes. By doing so, individuals can make better financial decisions and improve their overall financial wellbeing.

In fact, acquiring financial knowledge is important before making any financial decision, with the most popular sources of such knowledge, in order, being family and close contacts, financial institutions and the media – although more precise and professional insights are provided by financial institutions.

Koh (2016) highlights the importance of early financial literacy education, suggesting that it should be integrated into the curriculum from a young age. By relating financial literacy programme content to students' everyday experiences and needs, it becomes more relevant and practical for them. This approach helps in building positive attitudes towards prudent financial management, which can have long-term benefits for individuals' financial wellbeing.

The notion of addressing financial matters from a societal perspective aligns with the understanding that financial literacy is not only an individual responsibility but also a collective one. It involves considering the broader societal context in which individuals interact with the financial system. By examining the reasons behind individuals' financial interactions, such as the impact of social, cultural, and economic factors, it becomes possible to develop more comprehensive financial literacy programmes that address the specific needs and challenges faced by different groups within society.

I believe that there is a need for more research on vital issues such as saving and pension planning. Governments play a significant role in shaping financial policies and regulations, and they often delegate the responsibility of educating individuals on these critical topics to the financial system. However, it is crucial to ensure that sufficient research is conducted to understand the effectiveness of such programmes and to identify any gaps or areas for improvement. By addressing these issues through research, policymakers and educators can enhance the quality and impact of financial literacy initiatives.

Starting financial literacy education early, connecting it to students' everyday experiences, and fostering positive attitudes towards financial management are important. Additionally, approaching financial matters from a societal perspective and conducting further research on vital financial topics can contribute to the development of more effective and comprehensive financial literacy programmes.

Research question four:

Why does acquisition of financial literacy happen in this way in Mauritius?

Generally, individuals will search for more information for informed decision making. The finding indicate that participants are of the view that economic institutions, including banks and regulators, can provide them with some information and education on financial topics. However, they still rely on other sources to get the required information to make informed decisions. Participants think there should be a targeted approach to relevant segments of the population, to make financial literacy more effective and achieve the best results.

Another major finding was regarding Covid-19's impact on financial decision making. In their study on financial literacy in the Covid-19 pandemic, Yuesti, Rustiarini and Suryandari (2020) stated that financial learning and understanding must be improved at all levels (at educational institutions, in urban and rural communities) to enable people to acquire knowledge on financial literacy in a challenging environment. It was clear from the data gathered that adults in Mauritius are also concerned about the impact of Covid-19 on their financial decisions and choices.

Information on the lack of financial literacy initiatives in Mauritius is also provided through this study. Most initiatives are undertaken by local authorities and financial regulatory institutions like the BOM and the FSC Mauritius. It is also perceived that limited financial literacy of Mauritians is directly linked to limited initiatives, carried out only by the regulatory bodies. Private sector and civil society could also engage in these types of initiatives.

Most Mauritians know about at least one financial literacy initiative, but this remains insufficient. Regulatory institutions and financial institutions need to develop more awareness initiatives and programmes to increase the citizens' financial literacy levels. While some individuals invest in financial services of a complex nature such as shares and crypto assets, this is a minority group which tends to have some information about these types of investments.

With the fast development and adoption of mobile banking applications, there is now the growing importance to develop the financial literacy of individuals. The use of mobile banking services is associated with specific age groups, especially the youth. Young adults are the major users of financial services which are technologically oriented, and this contributes to their exposure to financial services, planning and transactions, enhancing their financial literacy.

The impact of financial literacy on financial behaviour cannot be denied; people with a higher financial literacy level tend to make sound financial decisions and can plan their savings and spending more effectively.

Programmes that offer multiple financial education sessions can indeed be effective in promoting savings among low-income individuals. These individuals may face barriers to adopting a savings mindset, but through targeted financial education, they can gain the knowledge and skills necessary to develop a savings-savvy attitude. By providing ongoing sessions, these programmes can reinforce and build upon financial concepts, helping individuals overcome financial challenges and improve their financial wellbeing.

It is crucial for literacy and education programmes to target specific groups that may have difficulty understanding financial concepts. This approach recognises that different individuals have varying levels of financial literacy and may require tailored interventions. By focusing on these specific groups, financial education programmes can address their unique needs and improve their understanding of financial concepts, empowering them to make informed financial decisions.

Simplifying the decision-making process and providing assistance in implementing saving plans are important strategies to promote savings. Financial literacy programmes can help individuals develop effective expense planning techniques and provide tools for saving money.

By facilitating the planning process and offering support, individuals are more likely to follow through with their intentions to save. This is particularly beneficial for individuals with low financial literacy, as it simplifies decision-making and reduces barriers to taking action.

With increasing financial responsibilities at a younger age, it becomes essential for individuals, especially young adults, to develop their financial literacy. Taking loans for education or major purchases like vehicles has become common, and being financially literate enables individuals to navigate the financial services available to them. By improving their financial literacy, young adults can make informed decisions and manage their finances effectively, setting a foundation for their future financial wellbeing.

The development and implementation of financial literacy standards may vary across countries. It is important for policymakers to carefully consider and select appropriate materials and strategies to encourage informed and behaviourally responsible adults. By choosing the right mix of decision-making tools or heuristics, policymakers can support individuals in making sound financial decisions and improving their financial literacy.

Overall, promoting savings, targeting specific groups, facilitating decision-making, and adopting appropriate financial literacy standards are all important elements for enhancing financial literacy and empowering individuals to make informed financial choices.

9.3 LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

This study was carried out while taking all necessary measures to avoid any miscalculations and misinterpretations. Some limitations relate to the sample size, even though an effort has been made to make it representative of the Mauritian population at large. In future, further analysis could be carried out with a much bigger sample size. Also, the fact that a non-probability sampling method was used impacts the results, as it removes the element of randomness.

Acknowledging the limitations encountered in measuring financial literacy, financial concerns, and financial wellbeing is important for the overall validity of the study. The recognition of these limitations provides valuable insights for future research and suggests areas for improvement. Some suggestions for addressing these limitations and expanding the knowledge in the field are:

1. Designing a comprehensive questionnaire: Future research could focus on designing a questionnaire that accurately measures financial literacy, financial concerns, and financial wellbeing, taking into account the social, economic and cultural context of Mauritius and other countries. This would help ensure the accuracy and reliability of the measurement instruments used in the study.
2. Comparative studies in different contexts: Conducting research studies in diverse contexts and comparing the results with those of the current study would provide a broader understanding of the link between financial literacy, financial concerns, and financial wellbeing amongst others. This comparative approach can reveal commonalities and differences, contributing to a more comprehensive understanding of the subject matter.
3. Investigating major causes of financial concerns: A survey specifically focused on exploring the main causes of financial concerns and solutions proposed to address them would be valuable. This type of research can shed light on the underlying factors that contribute to financial concerns and help identify potential strategies or interventions to alleviate them.

By addressing these suggestions for future research, researchers can further advance the understanding of financial literacy, financial concerns, and financial wellbeing, ultimately contributing to the development of effective policies and programmes to enhance individuals' financial wellbeing.

9.4 RECOMMENDATIONS

Although this study found that Mauritians are financially knowledgeable to a certain extent, there is room for improvement. The local authorities, namely the FSC and the BOM, can consider this study’s findings, and the following recommendations to increase the financial literacy level in Mauritius are presented.

It is essential to implement relevant classes in both primary and secondary schools through inclusion of financial literacy in the school curriculum. This will be beneficial in the long term, as it will enable students to obtain the required skills in terms of financial planning, so that they can make the right financial decisions when the time comes. Education plays a central part in instructing the future generations and it is relevant to incorporate elements of financial management and literacy in the normal educational framework of the country.

Stakeholders should make advertisements about the financial literacy courses that are available by using more popular media such as radio stations and peak-time television channels. It is important to encourage attendance and make educational programmes as accessible as popular among the population. Regular advertising campaign should be developed and social community assistance to help elevate the number of individuals who attend financial literacy programmes.

Monthly roadshows should be organised to help bring institutions to the general public, allowing them to better understand these institutions' role in supporting financial literacy. It is important to showcase the institution and develop a positive brand image that will attract individuals to the programmes.

A national financial literacy strategy should be developed and formulated by the ministries concerned in collaboration with local authorities and financial institutions. A coordinated approach to financial education needs to be put in place, in line with appropriate legislation. It is important that a framework be developed to support the achievement of specific objectives to increase the financial literacy of individuals in the country, where control and monitoring mechanisms are integral.

There is a need for a national evaluation of the population's needs and setting up of financial education programmes in line with the requirements identified. It is also essential to assess financial literacy shortcomings and identify the most vulnerable groups needing financial education programmes. It is also recommended that existing programmes be mapped in taking into consideration the expectations and needs of the population, where identification of stakeholders and partners allows bridging of the gap between the actual and expected provision of financial education.

There must be consultation and coordination between all relevant stakeholders, including civil society and the private sector, to bring about and action a national strategy aimed at developing the financial literacy of individuals. It is also vital that the authorities report the results from the development plans and allow all stakeholders to give input to ameliorate the national framework. This must be accompanied by transparent coordination and governance mechanisms that allow for policy development and assignment of responsibilities to establish the national strategy to enhance financial literacy, which must cover the youth as well as mature adults.

It is recommended that all roles and responsibilities of stakeholders be aligned with the objectives of setting up a strategy at national level for the enhancement of financial literacy, in order to have a clear pathway to develop and promote financial literacy programmes in Mauritius. Financial institutions must be active partners and participate in the dissemination of information on financial services provided to the market. Such programmes should aim at enabling the individual to get a good grasp of all opportunities and possibilities made available to them by the financial institutions.

Financial literacy programmes must be integrated at secondary education level, to enable all students to gain an appreciation of financial services offered on the market and to develop their financial literacy. The national educational framework must incorporate financial programmes and encourage individuals and students to attend such programmes.

Finally, governance and coordination being of clear importance, an agency could be created, whose responsibilities would include coordinating activities in relation to financial literacy. For the time being, this role is being performed by specific units within regulatory bodies. The coordinating agency should be able to act independently and set up and implement literacy programmes on its own or delegate the responsibility to other organisations.

9.5 CONTRIBUTION OF THIS STUDY

This study provided insights into the perception of financial literacy of the Mauritian population. This study showed that Mauritians seemed to adopt certain behaviour in relation to money matters, depending on their own experiences and exposure to certain types of information, through specific media which they use on a daily basis. As a general observation, respondents possessed a basic knowledge of finance and resorted to the use of simple financial management, especially in dealing with day-to-day financial needs. Educated individuals are more likely to know about the different types of financial resources, which indirectly assists them in planning their finances. Evidently, a respondent's educational background may differentiate the level of financial literacy, especially if that respondent has learnt a related subject. Those who are highly motivated by their perceptions and awareness of financial stability in their lives tend to have higher levels of financial literacy. This highlights the importance of personal motivation in driving individuals to acquire financial knowledge and skills.

The study also revealed a positive relationship between financial wellbeing and financial literacy. Higher levels of financial literacy were associated with better financial wellbeing and fewer financial concerns. Then, the study found a positive relationship between age and financial literacy. As individuals get older, their financial literacy tends to increase, indicating that experience and exposure to financial matters over time contribute to improved financial decision-making abilities. The study suggests that financial literacy is crucial for individuals to develop financial management abilities and participate successfully in economic activities. It enables individuals to make informed decisions regarding savings, purchasing, investments, asset management, debt and credit management, and overall financial wellbeing. By improving financial literacy, individuals can reduce financial concerns and achieve a better balance between their income and expenses.

This study also demonstrated that who are financially literate are able to manage and use their money properly and adopt a hands-on approach to money matters. It is believed that there is a need to increase the awareness and sensitisation of people and to make them more financially literate overall through outreach and other means.. The popularity and accessibility of these have made them common routes used by participants to access information. Other traditional media cited as sources of information on finance were television, magazines, newspapers, and the radio. There is knowledge about initiatives organised by local authorities and financial regulatory institutions like the BOM and the FSC. These institutions are also seen as reliable sources of information and a way to acquire financial literacy and enhance financial decision-making.

Then, emotions and impulses also emerged as a factor which impacts on spending and money mismanagement. Influence and sometimes pressure from inner circles can also have an impact on how money is spent and managed. The findings also indicate that financial decisions are now more contextual and complex, requiring careful strategies, and that the need to develop the correct skills, knowledge, attitudes and behaviours to money management is essential.

For individuals with limited personal knowledge in financial matters, seeking advice from those who are more knowledgeable, such as financial professionals, can help them avoid making mistakes and make more informed decisions. Recognising the importance of financial literacy, individuals understand the value of acquiring the necessary knowledge and skills to navigate the complexities of personal finance effectively. Overall, the findings suggest that confidence, knowledge, and financial literacy are interconnected. Building confidence in financial matters can be facilitated by increasing financial knowledge through education and specialized financial literacy programmes. By doing so, individuals can make better financial decisions and improve their overall financial wellbeing. Starting financial literacy education early, connecting it to students' everyday experiences, and fostering positive attitudes towards financial management are important. Additionally, approaching financial matters from a societal perspective and conducting further research on vital financial topics can contribute to the development of more effective and comprehensive financial literacy programmes.

Another major finding was regarding Covid-19's impact on financial decision making. In their study on financial literacy in the Covid-19 pandemic, Yuesti, Rustiarini and Suryandari (2020) stated that financial learning and understanding must be improved at all levels (at educational institutions, in urban and rural communities) to enable people to acquire knowledge on financial literacy in a challenging environment. It was clear from the data gathered that adults in Mauritius are also concerned about the impact of Covid-19 on their financial decisions and choices. Information on the lack of financial literacy initiatives in Mauritius is also provided through this study. Most initiatives are undertaken by local authorities and financial regulatory institutions like the BOM and the FSC Mauritius. It is also perceived that limited financial literacy of Mauritians is directly linked to limited initiatives, carried out only by the regulatory bodies. Private sector and civil society could also engage in these types of initiatives.

With the fast development and adoption of mobile banking applications, there is now the growing importance to develop the financial literacy of individuals. The use of mobile banking services is associated with specific age groups, especially the youth. The impact of financial literacy on financial behaviour cannot be denied; people with a higher financial literacy level tend to make sound financial decisions and can plan their savings and spending more effectively.

Programmes that offer multiple financial education sessions can indeed be effective in promoting savings among low-income individuals. It is also important for literacy and education programmes to target specific groups that may have difficulty understanding financial concepts. Simplifying the decision-making process and providing assistance in implementing saving plans are important strategies to promote savings. Financial literacy programmes can help individuals develop effective expense planning techniques and provide tools for saving money. By facilitating the planning process and offering support, individuals are more likely to follow through with their intentions to save. This is particularly beneficial for individuals with low financial literacy, as it simplifies decision-making and reduces barriers to taking action.

The development and implementation of financial literacy standards may vary across countries. It is important for policymakers to carefully consider and select appropriate materials and strategies to encourage informed and behaviourally responsible adults. By choosing the right mix of decision-making tools or heuristics, policymakers can support individuals in making sound financial decisions and improving their financial literacy. Overall, this study demonstrated that in Mauritius, to enhance financial literacy it is essential to promote savings, facilitate decision-making, and adopt appropriate financial literacy standards.

9.6 CONCLUDING REMARKS

This study's purpose was to explore the financial literacy level of adult Mauritians and how acquiring and using financial literacy could enable an improvement of their decision-making skills, especially through targeted programmes.

The mixed-method research approach enabled investigation into specific financial behaviour, along with respondents' interpretation of the surrounding environment.

As literature and empirical evidence on financial literacy and its importance for the financial health of individuals in general was quite limited, and there had been little focus until now on personal finance of Mauritian citizens, this study might help to bridge some of these gaps. The findings show that there needs to be a concerted approach to promote financial literacy, as relevant information is currently available only in a scattered way, and respondents tend to rely more on their intuition, social structures and past experiences in relation to financial decisions.

It is strongly recommended that while Government and regulatory bodies drive financial literacy programmes and initiatives, the private sector and non-governmental organisations should also contribute to efforts to make Mauritius a financially literate society.

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APPENDICES

Appendix A: Questionnaire

Section A: Demographics

(Tick the most appropriate one)

1) What is your gender?

☐ Male ☐ Female

2) Select your age group

☐ 18 to 35 years ☐ 36 to 50 years ☐ >50 years

Section B: Financial Knowledge

1) Which of the following financial services are you aware of? You may select more than one answer.

☐ Savings Account
☐ Current Account
☐ Credit Card
☐ Investment Plan
☐ Retirement Plan
☐ Medical Insurance Plan
☐ Mobile Phone Banking
☐ Shares /Bonds / other securities capable of providing you monetary benefits
☐ Other

If other, please name it ________________________________

2) Which of the following financial services do you use? You may select more than one answer.

☐ Savings Account
☐ Current Account

☐ Credit Card

☐ Investment Plan

☐ Retirement Plan

☐ Medical Insurance Plan

☐ Mobile Phone Banking

☐ Shares /Bonds / other securities capable of providing you monetary benefits

☐ Other

If other, please name it ________________________________

3) On a scale of 1 to 5 how far are you familiar to the following where 1 is never heard of, 2 is barely familiar, 3 is moderately familiar, 4 is quite familiar and 5 is very familiar

Interest rates on loans and deposits

1 2 3 4 5

Investments in stock work and what are the benefits and risks

1 2 3 4 5

Retirement plans and their long-term benefits

1 2 3 4 5

Insurance plans and exclusions in an insurance contract

1 2 3 4 5

Online banking, mobile banking and cashless transactions

1 2 3 4 5

Futures and derivatives

1 2 3 4 5

Bitcoins and crypto currencies

1 2 3 4 5

4) Who do you/will you seek financial advice from?

- ☐ Family
- ☐ Friends
- ☐ Co-workers
- ☐ The Media
- ☐ Community programmes
- ☐ Through organisations/institutions
- ☐ School/College/University
- ☐ Others name them ____

5) Financial literacy is getting the necessary information or advice before investing in financial services and products like insurance, pension, stock/shares, opening a bank account and carrying out financial transactions online or through your mobile. On a scale of 1-5 how familiar are you with the concept of financial literacy, where 1 is not familiar at all and 5 is very familiar?

1 2 3 4 5

6) On a range of 1-5, how wold you rate the importance of financial literacy before taking any decision in relation to your money?

1 2 3 4 5

7) On a range of 1-5, do you feel that you are adequately equipped with the skills to do the following?

Drawing a monthly family budget

1 2 3 4 5

Saving your money for the future or for rainy days

1 2 3 4 5

Managing your debts taken from banks or other institutions or credit taken for purchase of items

1 2 3 4 5

Investing in an insurance, pension plan or product capable of providing you certain monetary benefits over time, for example shares.

1 2 3 4 5

Section C: Efforts made by Government/local authorities

1) On a scale of 1-5 how familiar are you with the Financial Services Commission, where 1 is never heard of, 2 is barely familiar, 3 is moderately familiar, 4 is quite familiar and 5 is very familiar

1 2 3 4 5

2) On a scale of 1-5 how familiar are you with the fact that one of the main functions of the Financial Services Commission is to protect the integrity of the non bank financial sector and educate consumers of financial services, where 1 is never heard of, 2 is barely familiar, 3 is moderately familiar, 4 is quite familiar and 5 is very familiar

1 2 3 4 5

3) On a scale of 1-5 how familiar are you with the Bank of Mauritius, where 1 is never heard of, 2 is barely familiar, 3 is moderately familiar, 4 is quite familiar and 5 is very familiar

1 2 3 4 5

4) On a scale of 1-5 how familiar are you with the fact that the Bank of Mauritius protects the integrity of the banking and deposit taking sectors and educates consumers of these products, where 1 is never heard of, 2 is barely familiar, 3 is moderately familiar, 4 is quite familiar and 5 is very familiar

1 2 3 4 5

5) Which of the following financial literacy campaigns do you know or have you read about?

☐ "La Minute Finance" on Best FM & Cool FM

☐ "Reflexes" on TV, Billboards, Buses

☐ Mauritius Bankers Association Financial Literacy Program

☐ None of the above

6) On a scale of 1-5 how far would you be interested to participate in financial literacy campaigns or courses, where 1 is not interested, 2 is just interested, 3 is moderately interested, 4 is quite interested and 5 is very interested.

1 2 3 4 5

End of Questionnaire Thank you very much

Appendix B: Semi-structured interviews

Researcher introduction and purpose of semi-structured interview

Hello. I am Amit Kumar Ramjeet and I am reading for a PhD in Higher Education at the University of KwaZulu-Natal. I am conducting research on Adult Financial Literacy and the proposed title of my study is: 'Learning Financial literacy amongst adult Mauritians'.

I would like to start off by thanking each of you for taking time to participate in this interview session today. We'll be here for about 15 minutes.

The reason we're here today is to gather your opinions and attitudes about issues related to your experiences with financial literacy.

I am going to lead our discussion today. I will be asking you questions and then encouraging and moderating our discussion.

I also would like you to know this session will be tape recorded. The identities of all participants will remain confidential. The recording allows us to revisit our discussion for the purposes of developing research papers and presentations.

Ground rules

To allow our conversation to flow more freely, I would like to go over some ground rules.

1. We will speak one at a time.
2. This is a confidential discussion in that I will not report your name. Names of participants will not even be included in the final report about this meeting. It also means, except for the report that will be written, what is said in this room stays in this room.
3. We stress confidentiality because we want an open discussion. We want you to feel free to answer without fear.
4. There are no "wrong answers," just different opinions. Say what is true for you, even if you're the only one who feels that way.
5. Let me know if you need a break.
6. Are there any questions?

Introduction of participants

Before we start, I would like to know a little about you. Please tell me:

1. Your name
2. What do you do in life

Questions

- What are your immediate thoughts and plans when you receive money by way of salary or otherwise?
- What do you think planning your expenses and drawing a monthly family budget is important for?
- How do you think that having savings might be important for you and your family?
- From a monetary perspective, how would you cater for unforeseen events like an accident, disease or untimely death?
- What are you views about investing money in financial products or services like an insurance plan, a pension/retirement plan, a leasing agreement and buying shares, investing in bonds, treasury bills or similar securities?
- What are the steps that you would follow if ever you decide to invest your money in the financial products and services mentioned above?
- Who are the persons and institutions you would turn towards if you require any guidance and advice before investing in these financial services and products?
- Do you know what you should do and whom you should contact if you face any problems or issues after buying these financial services and products?
- What is your understanding of financial literacy?
- If you are familiar with financial literacy, how have you learnt about it?
- How important do you think financial literacy is in your everyday life?
- Are you aware of any financial literacy initiatives which have been undertaken to increase investor confidence? If yes, by whom?
- What are your views about current financial literacy initiatives, if you are aware of any?
- What should be done according to you to increase the effectiveness of these initiatives?
- What should be done according to you to increase the level of financial literacy in Mauritius?

Closing

Thanks for coming today and talking about these issues. Your comments have given us lots of different ways to see this issue. I thank you for your time.

Appendix C: Summary of interviews – Phase 1

Summary of findings from first interviews

	Vani	Shan	Raj	Ash	Navi	Ruby
What are your immediate thoughts and plans when you receive money?	Think about priorities. Housing, loans and basic needs.	Pay off debt. Basic necessities: food, shelter clothes, pay bills.	Think how to manage my money. Food, clothing, social activities and future expenses	Paying utility bills and then basic necessities, food, education and saving	Savings. Separating savings and consumpti on and planning for savings	Important to segregate between monthly expenses and savings.
What do you think planning your expenses and drawing a monthly budget is important for?	Planning important for future use in view of Covid,	Without budget, could have made unnecessary expenses. Use any tool ex. Excel to draw a budget and derive savings	Important to have a budget as a retired pensioner. Cater for necessities and leisure.	Planning important. Can't spend money lavishly on petty things. Save money to save till end of te month and beyond	Broad idea of future plans and expenditur e and cater for that	Important to get idea on how to spend if we have future plans.
What do you think having savings might be important for you and your family?	Important to cater for unexpecte d events, medical expenses, etc.	Savings important for people who have projects. Savings will help them manage their expenses and make new savings. People with vision will think about investing their savings.	Savings important as we don't know what will happen in the future, especially in view of Covid 19.	Savings important. Help if there is an emergency, cater for untoward situation.	Important for unforesee n events and emergency .	Savings is of utmost important because of unexpected/unfo reseen events.
What are your views about investing your money?	Invest in pension plan. Good idea to invest in shares etc	People invest in many ways for ex. In the stock exchange. Invest on yourself, personal	We must invest some money in projects that can help us in future, housing, construction etc.	Sign of foresight-edness to invest, intelligent thing to do because if we invest in medical	If I have to invest in financial product, to diversify risk of investment especially if opting	Good to invest of the long terms. Important to help us in future plans, medical insurance important for example.

		development, health. Invest in insurance because you may have an accident face disease or long term.		insurance plan, help if we fall ill etc	for insurance, retirement and pension plan.	
What are the steps you would follow while investing your money?	Not aware about the steps but important to be educated about this aspect	Need to seek guidance before investing. Contact people in the field to help/guide you in terms of type of investment and benefits	Important to seek advice if we don't know much about finance. We must contact people/professionals who know about finance and who can advise us.	Turn towards acquaintances, friends, family who have already invested. After that, I might turn to certain professionals, companies on what is to be done, what are benefits etc.	Depends on financial product and services. Invest in shares, what are the rules, listed companies on the stock exchange, licensed by the FSC, dividend, go towards insurance companies, period of investment and returns	Seek advice from close family and colleagues and regulatory bodies where to invest and what are licensed companies from which we can invest in financial products.
What will you do if you face any problems/issues after investing your money?	Contact the regulator of Financial Services, the FSC	Contact relevant authorities, banks etc	Contact people who know about financial, banking and financial institutions	Turn to a lawyer, advice on what to be done, police case, FSC – officers to guide	Contact the financial institutions ex. Insurance FSC and BoM if any suspicion of financial fraud and issues	Contact family and colleagues to get an idea. Refer to regulatory bodies FSC and BoM, MBA, Ombudsperson of financial services to take informed decisions
Are you familiar with financial literacy and how have your learnt about it?	FL is how you educate people to use their money. Heard from the FSC.	Heard about financial literacy but not fully aware. Facebook, billboards, advertising, people	People must know how to cater/use money they receive.	FL – acquainted on matters related to finance. How to draw a budget, how to	FL englobes financial markets and product, institutions that regulate	Heard it almost daily from firms. Important to be aware, FSC and BOM through consumer awareness programs,

		talking about it but not real knowledge		manage money. Learnt on it at school, through the media. Competitions organized by authorities. Quiz, poster, cartoon compet-itions etc.	the financial system, FSC, BOM.	roadshows, television
How important do you think financial literacy is important?	Important to educate people on how to use their money	People say salary not enough. Based on what they get and how they can make good, fruitful decisions and manage their money well	People should be literate about how to spend in good way so that they can save for future and make good choices	Ponzi scheme scandals etc have shown important to educate people.	Important to know what types of financial product involved, insurance, pensions treasury bills, bonds, shares. Being aware of threats to financial system, fraud etc	Important because of emerging financial products like crypto currency and bitcoin and consumers need to be aware of these and know where to invest.
Are you aware of financial literacy initiatives which have been been conducted?	Yes. Initiatives of the FSC like Reflexes and the outreach program-mes	Not aware of financial literacy initiatives.	Yes. FL initiatives are done by companies. Holding workshops to help people know how to save and spend their money	I suppose Initiatives are efficient enough. These measure to some extent efficient.	Roadshows by the FSC, campaign like the Reflexes campaign, BOM campaigns on financial awareness and fraud.	Yes learnt about initiatives being conducted by the BOM and FSC
What should be done according to you to increase the effective-ness of financial literacy initiatives	Important to increase awareness in critical period of Covid. Not enough is being done currently.	Need to sensitise people on campaigns on radio, adverts, television, billboards. Social media,	More workshops have to be organised everywhere around the country, in villages. Advertisements have to	Move to the grassroots, the populace, use simple words, drama, games for youngster. Make them	They are effective but depends on target audience, but should be made for specific towards	Initiatives have been able to educate consumers and public. Roadshows have targeted many audiences. Roadshows have targeted aged

and increase the level of financial literacy in Mauritius	There should be more education. More program-mes and initiatives for different categories like youth. They need to be aware on how to use their money.	WhatsApp and other applications that can be used to encourage people to learn about financial literacy	be placed everywhere on radio, television, newspapers to inform people to deal with problems.	more aware and warned about dangers if they do not invest money in secure way.	targeting the population. Awareness of young investors, create awareness on financial product and the system. Educate on financial fraud, their rights and risks involved in investment Whole population need to be aware of how investing money, savings, consumption planning investment, returns they are getting and potential risks.	population. Need to segregate and be more target specific. Educate more through social media platforms. Due to emerging products, important for people to be made more aware and FSC, BOM etc should make constant effort to educate the consumers on products and programmes.

Appendix D: Ethical clearance

UNIVERSITY OF
KWAZULU-NATAL
INYUVESI
YAKWAZULU-NATALI

29 November 2019

Mr Amit Kumar Ramjeet (218081486)
School Of Education
Pietermaritzburg Campus

Dear Mr Ramjeet,

Protocol reference number: HSSREC/00000825/2019
Project title: Learning Financial literacy amongst adult Mauritians

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 19 November 2019 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid for one year from 29 November 2019.
To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

Yours sincerely,

[redacted]

Professor Urmilla Bob
University Dean of Research

/dd

Appendix E: GATEKEEPERS' PERMISSION LETTERS

Gatekeeper's Permission Letter (1)

The Secretary

Bright Future Association

Trou D'Eau Douce

Dear Sir/Madam

REQUEST FOR PERMISSION TO CONDUCT PhD RESEARCH WITH MEMBERS OF YOUR REGSITERED ASSOCIATION

I, Amit Kumar Ramjeet, am reading for a PhD in Higher Education at the University of KwaZulu-Natal and I am conducting research on Adult Financial Literacy.
The proposed title of my study is:

'Financial literacy for adult Mauritians'

I intend to interview members of your registered association as participants in this study as the population of my study is any adult having legal capacity, deriving an income and who is able to use financial services and products.

The objectives of this study are:

1. To understand the financial choices and spending patterns of adult Mauritians and whether they are able to save enough in order to spend on financial products and services for their own protection and financial wellbeing.
2. To know why they make certain financial choices. Do they look for immediate gratification to the detriment of planning for the future through investment in financial services and products.
3. To determine whether they have a good understanding of financial instruments and how these can contribute to secure their future and ensure a better quality of life.

I hereby apply for permission to undertake this research inviting participation from members of your association in your meeting premises.

The information gathered in this study will be treated with utmost confidentiality. The names of the participants as well as the associations they belong to will not be disclosed. Participation in this study is completely voluntary and participants will be able to withdraw from the study at any time.

Yours sincerely,

______________________________ ________________________

Mr Amit Kumar Ramjeet Date

Doctoral Student UKZN/MIE

Royal Road 16eme Mille Forest-Side

Tel: 6645523 / 5 7598343 (Mob)

Gatekeeper’s Permission Letter (2)

The President/Secretary

Seizieme Mille Senior Citizens Association

Dear Sir/Madam

REQUEST FOR PERMISSION TO CONDUCT PhD RESEARCH WITH MEMBERS OF REGSITERED ASSOCIATIONS

I, Amit Kumar Ramjeet, am reading for a PhD in Higher Education at the University of KwaZulu-Natal and I am conducting research on Adult Financial Literacy.
The proposed title of my study is:

‘Financial literacy for adult Mauritians’

I intend to interview members of your registered association as participants in this study as the population of my study is any adult having legal capacity, deriving an income and who is able to use financial services and products. They will be interviewed in community and social welfare centres falling under the aegis of the Ministry

The objectives of this study are:

1. To understand the financial choices and spending patterns of adult Mauritians and whether they are able to save enough in order to spend on financial products and services for their own protection and financial wellbeing.
2. To know why they make certain financial choices. Do they look for immediate gratification to the detriment of planning for the future through investment in financial services and products.
3. To determine whether they have a good understanding of financial instruments and how these can contribute to secure their future and ensure a better quality of life.

I hereby apply for permission to undertake this research with participants of your association in your meeting premises.

The information gathered in this study will be treated with utmost confidentiality. The names of the participants as well as the associations they belong to will not be disclosed. Participation in this study is completely voluntary and participants will be able to withdraw from the study at any time.

Yours sincerely,

______________________________ _______________________

Mr Amit Kumar Ramjeet Date

Doctoral Student UKZN/MIE

Royal Road 16eme Mille Forest-Side

Tel: 6645523 / 5 7598343 (Mob)

Gatekeeper's Permission Letter (3)

The President/Secretary

Financial Services Commission Staff Union (FSCSU)

Dear Sir/Madam

REQUEST FOR PERMISSION TO CONDUCT PhD RESEARCH WITH MEMBERS OF REGSITERED ASSOCIATIONS

I, Amit Kumar Ramjeet, am reading for a PhD in Higher Education at the University of KwaZulu-Natal and I am conducting research on Adult Financial Literacy.
The proposed title of my study is:

'Financial literacy for adult Mauritians'

I intend to interview members of your registered association as participants in this study as the population of my study is any adult having legal capacity, deriving an income and who is able to use financial services and products. They will be interviewed in community and social welfare centres falling under the aegis of the Ministry

The objectives of this study are:

1. To understand the financial choices and spending patterns of adult Mauritians and whether they are able to save enough in order to spend on financial products and services for their own protection and financial wellbeing.
2. To know why they make certain financial choices. Do they look for immediate gratification to the detriment of planning for the future through investment in financial services and products.
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I hereby apply for permission to undertake this research with participants of your association in your meeting premises.

The information gathered in this study will be treated with utmost confidentiality. The names of the participants as well as the associations they belong to will not be disclosed. Participation in this study is completely voluntary and participants will be able to withdraw from the study at any time.

Yours sincerely,

______________________________ ______________________

Mr Amit Kumar Ramjeet Date

Doctoral Student UKZN/MIE

Royal Road 16eme Mille Forest-Side

Tel: 6645523 / 5 7598343 (Mob)

Gatekeeper's Permission Letter (4)

The President/Secretary

Sri Caitanya Saraswat Math Association

Long Mountain

Dear Sir/Madam

REQUEST FOR PERMISSION TO CONDUCT PhD RESEARCH WITH MEMBERS OF REGSITERED ASSOCIATIONS

I, Amit Kumar Ramjeet, am reading for a PhD in Higher Education at the University of KwaZulu-Natal and I am conducting research on Adult Financial Literacy.
The proposed title of my study is:

'Financial literacy for adult Mauritians'

I intend to interview members of your registered association as participants in this study as the population of my study is any adult having legal capacity, deriving an income and who is able to use financial services and products. They will be interviewed in community and social welfare centres falling under the aegis of the Ministry

The objectives of this study are:

1. To understand the financial choices and spending patterns of adult Mauritians and whether they are able to save enough in order to spend on financial products and services for their own protection and financial wellbeing.
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I hereby apply for permission to undertake this research with participants of your association in your meeting premises.

The information gathered in this study will be treated with utmost confidentiality. The names of the participants as well as the associations they belong to will not be disclosed. Participation in this study is completely voluntary and participants will be able to withdraw from the study at any time.

Yours sincerely,

______________________________ ________________________

Mr Amit Kumar Ramjeet Date

Doctoral Student UKZN/MIE

Royal Road 16eme Mille Forest-Side

Tel: 6645523 / 5 7598343 (Mob)

Appendix F: Participant Consent Form

Research Topic: 'Financial Literacy for Adult Mauritians'

I, __________________________________ understand the contents of this document and consent to participate in the study by Amit Kumar Ramjeet on **Financial Literacy for adult Mauritians**

I understand that:

- My participation may involve interviews and other data generation methods as explained in the information letter.
- I may be asked to answer questions of a personal nature, but I can choose not to answer any questions about aspects of my life which I am not willing to disclose.
- I am invited to voice to the researcher any concerns I have about my participation in the study, or consequences I may experience as a result of my participation and to have these addressed to my satisfaction.
- I am free to withdraw from the study at any time, however I commit myself to full participation unless some unusual circumstances occur, or I have concerns about my participation which I did not originally anticipate.
- The report on the project may contain information about my personal experiences, attitudes and behaviours, but that the report will be designed in such a way that it will not be possible for me to be identified by the general reader.

I provide consent,

For interviews that I participate in to be audio recorded YES/NO(Please circle your response)

______________________________ ______________________

Signature of Participant Date

Yours sincerely,

____

Mr Amit Kumar Ramjeet

Contact Details:

Researcher: Mr Amit Kumar Ramjeet
Tel: 57598343
amitramjeet@gmail.com