

## **Determinants of Financial Literacy: Analysis of the Influence of Financial Behavior and Financial Attitudes**

Navodani, R.B.G.S.D.<sup>1</sup> and Gunasekara, A.L.<sup>2</sup>  
Department of Finance, University of Kelaniya, Sri Lanka<sup>1,2</sup>  
[sasinidilunika1998@gmail.com](mailto:sasinidilunika1998@gmail.com)<sup>1</sup>, [gunasekaral@kln.ac.lk](mailto:gunasekaral@kln.ac.lk)<sup>2</sup>

### **ABSTRACT**

**Purpose:** The purpose of this study is to identify the determinants of financial literacy and examine the most significant determinant of the financial literacy in Sri Lanka. This study focuses on how financial behavior and financial attitude impacts on the financial literacy in Sri Lanka.

**Design/Methodology/Approach:** The research has used the quantitative approach to investigate this notion and gathered data from 400 individuals between only 18 and 60 years old in all nine provinces in Sri Lanka in order to achieve the research objectives. This research used a simple random sampling technique. In this study, the main source of data gathering approach is questionnaires.

**Findings:** Based on the study's findings, the hypotheses test shows that the financial behavior and financial attitude are significantly impact to the financial literacy in Sri Lanka. As a result, the researchers suggest that the efforts needed to be made to include the importance of risk diversification, the time value of money, the calculation of compound interest, the importance of budgeting, effective savings strategies and money management skills debt in financial literacy programmes.

**Originality:** This study considers the whole Sri Lanka to identify whether the financial behavior and financial attitude impacts financial literacy. This is a novelty of this study.

**Keywords:** *Financial Behavior, Financial Attitude, Financial Literacy*