PAPER

Islamic Financial Literacy: Evidence from Jordan

Demeh Daradkah[*] • Ahlam Abdallah Aldaher[**] • Haitham Rafie Shinaq[***]

Abstract This study aims to test the extent of financial literacy in Islamic banking services in Jordan, and to test the effect of demographic variables: (gender, age, monthly income, region of residence, level of education, field of study, and occupation) on Islamic financial literacy via Ordered Logistic Regression, as well as, testing the differences in Islamic financial literacy among the averages of categories of demographic variables using non-parametric tests.

In order to achieve these goals, the study designed and distributed a questionnaire to a sample of 385 individuals from Jordan. The study found that 19.5% of Jordanians have a low level of Islamic financial literacy, 45.2% and 35.3% of Jordanians have an average and high level of Islamic financial literacy, respectively.

The study found a positive effect of the level of education, region of residence and the field of the study on the level of Islamic financial literacy. In which individuals with a higher educational qualification, "Humanities and Social Science" specialization, and individuals in northern and central Jordan possess a higher level of Islamic financial literacy. On the other hand, the study found a statistically significant difference between the averages of the categories: educational level, field of study, and region of residence.

Therefore, the study recommended the Central Bank of Jordan and the legislators to increase the general level of financial literacy and Islamic financial literacy in particular. Through, targeting segments that showed a low level of Islamic financial literacy. These results also have important implications for policy makers and academics.

Keywords: Islamic financial Literacy, Islamic banking services, demographic variables, Jordan.

JEL Classification: G21, G53, J10.

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Introduction:

Literacy has taken great interest and has been applied and studied in many fields. For instance, some studies focused on computer literacy, such as(Ainley *et al.,* 2016; Kim and Lee, 2013; Rohatgi *et al.,* 2016; and Wecker *et al.,* 2007), some others studied the statistical literacy like (Callingham and Waston,2005; Watson and Callingham,2003; and Watson,2006), while Baker)2006) concentrated on health literacy. Similarly, a respectable number of studies have been conducted on Financial Literacy (Beal *et al.,* 2003; Volpe *et al.,* 1996; Schagen and Lines, 1996; and Chen and Volpe, 1998).

"Financial Literacy", "Financial Knowledge" and "Financial Education" are all terms used inter-changeably in previous studies. Noctor *et al.,* (1992) defined financial literacy as» the ability to take effective decisions regarding using and managing funds». Thus, Kim (2001) defines financial literacy as» the knowledge that all individuals must acquire in order to live in modern society». In addition, Servon and Kaestner (2008) define financial literacy as «people's capability to understand and use the skills and knowledge related to their financial interests in order to achieve the best use of funds». The financial system is large and broad, and consists of many financial institutions, in which banks dominated the financial system for decades, and mobilized funds from suppliers to demanders (Rose et. al., 2013). Individuals play a crucial role in the financial system, where they are net suppliers (Gitman *et al.,* 2015). Therefore, individuals must have a certain level of financial literacy. Numerous studies suggest that a low level of financial literacy leads to loss of confidence in financial system and its services (Albaity and Rahman, 2019; Shen et al., 2016; Karlan *et al.,* 2014; Jäntti *et al.,* 2014; Gerardi *et al.,* 2010). Furthermore, the latest global financial crisis (2007-2008) was due to the low financial literacy (Kiss *et al.,* 2016; Cueva and Rustichini, 2015; and Wolfe-Hayes, 2010). As per an expanded report to measure the level of financial literacy on a worldwide basis, it was found that only 24% of Jordanian adults are financially literate (Klapper et. al, 2016). These results are in line with the global level of financial literacy, in which it was low, regardless of the stage of economic development of the country (Al-Tamimi and Bin Kalli, 2009). In 2003, the Organization for Economic Co-operation and Development began implementing a project to increase the level of financial literacy and knowledge. As this international tendency toward enhancing the level of global financial literacy, the central bank of Jordan has taken some actions to boost the level of public financial literacy, the most important action was touting financial literacy courses to students in schools.

The Jordanian banking sector consists of conventional commercial banks and Islamic commercial banks. As the number of operating banks in Jordan reached 24 by the end of 2018, the number of conventional commercial banks reached 20 (7 of them are foreign banks) and 4 Islamic commercial banks (including one foreign Islamic bank).Islamic banks in Jordan succeeded in achieving rapid growth, as the total assets of Islamic banks reached JD 7,950.44 million, constituting 16.37% of the total assets of banks operating in Jordan and owns 23.67% of the total direct credit facilities to banks operating in Jordan and constitutes 17.28% of the total deposits of banks operating in Jordan (Jordan Banking Association Report, 2018).

Given the importance of the Islamic banking industry, one may be surprised that Islamic financial literacy has been largely ignored in existing literature review. However, most of the works so far focused on Southeastern Asia such as (Albaity and Rahman, 2019; Setyowati et al,.2018). Antara et al., (2016) defined Islamic financial literacy s as the knowledge and skills to understand Islamic financial contact. Therefore, the objective of this study is to measure the level of Islamic Financial Literacy with Islamic banking services in Jordan, determine the effect of demographic variables on Islamic financial literacy, and identify whether there is differences in the level of Islamic financial literacy between groups of each demographic variable.

The study consists of five sections, besides this introduction. Section Two, reviews empirical literature related to the study. Section three; discusses the data and methodology used in the study, and is followed up by the analysis of section three. Conclusions and Recommendations are stated in section five.

Literature Review

A numerous number of literatures are concerned with measuring, evaluating and determining the level of financial literacy (Volpe et al., 1996; Schagen and Lines, 1996; and Chen and Volpe, 1998). Schagen and Lines (1996) measures the level of financial literacy in the United Kingdom in terms of financial markets and instruments, financial decision-making and planning, and individuals' attitudes towards money management and saving. The results revealed that the majority of individuals were financially literate. However, some groups such as single parents and students have shown low confidence dealing with their financial matters. Volpe et al. (1996) and Chen and Volpe (1998), measured the level of financial literacy of the students in the United State, and they found that students specialized in business and finance are more financial literate than other students.

Successive literature examined the level of financial literacy for students from Australia, in which Beal and Delpachitra (2003) found a good level of financial literacy among students. However, students specialized in business related disciplines have a higher financial literacy level than other students. In addition, Worthington (2006) examined the effect of demographic variables on financial literacy. He found that financial literacy level is affected by age, education, gender, and occupation. Thus, he found that males have a higher level of financial literacy than females.

For United Arab Emiratis, Al-Tamimi and Bin Kalli (2009) assessed the level of financial literacy and determined the factors that affected investment decision and financial literacy by distributing 290 questioners. They documented that financial literacy level is affected by income level, education level, workplace activity, and gender. They also indicated that females have a lower level of financial literacy than males.

On the other hand,(Setyowati et al., 2018; Bunyamin and Mutlu ,2017; Zaman et al., 2017; Rahim et al., 2016; Abdullah and Abdul Razak ,2015;and Bin Abdullah et al., 2015) measure the level of Islamic financial literacy. For instance, Setyowati et al. (2018) measured the level of Islamic financial literacy in Indonesia by distributing

313 questionnaires, they found that 64.66% of individuals are Islamic financially literate. Consistently, Bunyamin and Mutlu (2017) documented that 58% of individuals in "Trabzon Turkey" are Islamic financially literate. In "Lahore, Pakistan" Zaman *et al.*(2017) measured the level of Islamic financial literacy, and determined the factors that affect the adoption of Islamic banking services by distributing 300 questionnaires. Their study found that 40% of individuals have knowledge of banking services, 43% are satisfied with the role of the Banking Legislative Council, 50% believe that Islamic and conventional banks focus on the same goals, and 42% believe that the religious factor is the main driver for dealing with Islamic banks.

Rahim *et al.* (2016) examined the determinants of Islamic financial literacy for students from the University of Utara in Malaysia using exploratory factor analysis. They found that Islamic financial literacy is affected by religiosity, hopelessness and financial satisfaction. In addition, Abdullah and Abdul Razak (2015) inspected common concepts for Islamic financial literacy. The study found the importance of explaining all the investment concepts used by Islamic banks to the public. Bin Abdullah *et al.* (2015) examined the factors affecting Islamic banking services in Kuala Lumpur. They found that it is affected by financial literacy and parents' investment points of view. Recently, Albaity and Rahman(2019) examined the level of Islamic financial literacy in the UAE, they found that the level of Islamic financial level is high, and it is affected by gender, income level, and working experience.

Overall, there are strong literatures that support the importance of financial literacy and their determinants. However, most of these empirical works so far focused on conventional financial literacy, and Islamic financial literacy has been largely ignored, especially in Jordan. Therefore, this study tries to fill in the gap in the literature by measuring the level of financial literacy with Islamic banking services in Jordan, and determines the effect of demographic factors that affect financial literacy with islamic banking services.

Data and Methodology

The population of the study consists of all residents in Jordan, which reached 9.7 million at the end of 2018, where females representing 49.36% of the total population. However, the sample size has been calculated based on a formula discussed by Cochran (1963). As per the calculation result, for the sample to be representative. The sample must be 384 or above.

The study has utilized a stratified random sampling approach, in which the population was divided into three subgroups depending on the concentration of the population in those areas; Northern Region, Central Region, and Southern Region, then a random sample was chosen from each subgroup. Hence, 450 closed ended questionnaires were distributed, where 411 questionnaires were retrieved, with a response rate of 91%. However, only 385 questionnaires (111 questionnaires were collected from the Northern Region, 244 questionnaires from the Central Region, and 30 questionnaires from the Southern Region) were appropriate and suitable for data analysis. Therefore, the

actual response rate was 85%. The study designed closed –ended questionnaires. They consist of two parts; part one asks about demographic characteristics of the respondent (gender, age, monthly income, region of residence, level of education, field of study, and occupation), part two includes 18 questions asking about financial literacy of Islamic banking services, in which each question has three choices; "Yes", "No", and "Don't know", added to exclude ambiguity.

Islamic banks *"are financial institutions that undertake financial operations under the basis of Islamic law (sharia' law), that prohibit the use of Riba(interest)"(*Roy, 1991), and in which it provide several services either Profit Loss Sharing (PLS) services or Non-Profit Loss Sharing services: *"Profit Loss Sharing (PLS), in which it derived from Mudaraba (profit-sharing) and Musharaka (joint venture). Non-Profit Loss Sharing (Non-PLS), in which is derived from Murabaha (cost plus), Ijarah (leasing), Bai' muajjal (deferred payment sale), Bai'Salam (forward sale), and Istisna (contract manufacturing «(*(Grassa, 2012).

To ensure the validity of the questionnaire, the study was designed based on previous studies such as (Al-Tamimi and Bin Kalli, 2009; Setyowati *et al.,* 2018; and Albaity and Rahman, 2019). Also, it was reviewed by experts in the field, where it was revised according to their comments. Finally, a pilot study was conducted by distributing a random sample of 50 questionnaires, where they found it simple and easy to be understood and answered. Cronbach's Alpha was used to ensure the reliability of the questions. According to Shelby (2011), the acceptable factor loading must be 70% or above. The achieved score was 88% which indicate high level of internal reliability. The study used, Ordered Logistic Regression model, to test the effect of demographic variables on the level of financial literacy with Islamic banking services, which was introduced by Walker and Duncan (1967) and later modified by McCullagh (1980). Hence, the study built a 3-point Likert scale,(Low, Average, and High) ,based on the respondent's answers, in which individuals who scored 6 correct answers or less are scaled low, individuals who scored 7 to 12 correct answers are scaled average, and individuals who scored 13 correct answers and more are scaled high. Therefore, the following model is applied;

$$FL_i = \beta_0 + \beta_1 GN_i + \beta_2 Age_i + \beta_3 INC_i + \beta_4 RR_i + \beta_5 EDU_i + \beta_6 Field_i$$
$$+ \beta_7 OCC_i + e_i$$

Where: *FL* denotes Islamic Financial Literacy, *GN* stands for gender, *Age* denotes for age, *INC* is the monthly income level, *RR* denotes for region of residence, *EDU* denotes for level of Education, *Field* represents field of study, *OCC* denotes for occupation, β_0-β_7 are the coefficients, and denotes for disturbance.

Results of Analysis

Table (1), describes the demographic characteristics of the respondents of the study, where the sample is diversified in terms of respondents' demographic variables such as gender, age, income level, region of residence, education level, field of study, and occupation.

As for gender, 54.3% of the respondents are males and 45.7% of the respondents are females. This is due to the fact that 50.64% of the populations in Jordan are males. Regarding age, it ranges from 18 to older than 54, where 44.9% of the respondents are between 18 and 29, 29.1% of them are between 30 and 41, 18.7% are between 42 and 53, and only 7.3% are over 54. This is relatively compatible with the population's age structure in Jordan, where the total of Jordanians who fall into the age group (0-14) years represents 35.5% of the total population, 60.7% of the total population fall between the ages of 15-64 years, and only 3.8% is over the age of 65 years (World Bank, 2017).

Table 1. Demographic Variables of the respondents of the study.

Demographic Variables	Frequency	Percentage
Gender		
Males	209	54.3
Females	176	45.7
Age		
from 18 to 29	173	44.9
from 30 to 41	112	29.1
from 42 to 53	72	18.7
54 or more	28	7.3
Monthly Income Level		
less than JD 400	183	47.5
between JD 400 and JD 800	146	37.9
more than JD 800	56	14.5
Region of Residence		
Central region	244	63.4
Northern region	111	28.8
Southern region	30	7.8
Level of Education		
Higher -Education	87	22.6
Bachelor Degree	206	53.5
Diploma	44	11.4
High-School or below	48	12.5
Field of Study		
Humanities and Social Sciences	247	64.2
Scientific Disciplines	115	29.9
Medical Sciences	23	6.0
Occupation		
Public sector	137	35.6
Private sector	98	25.5
Self-employed	32	8.3
Retired	31	8.1
Unemployed	87	22.6

The sample also contains respondents from various income levels, 47.5% of the respondents have an income less than JD 400 per month, and 37.9% of the respondents' monthly income falls between JD 400 and JD 800, and only 14.5% of respondents have an income more than JD 800 per month. In addition for region of residence, 63.4% of

respondents are from the central region, 28.8% are from the northern region, and only 7.8% are from southern region. This is because the sample was selected based on a stratified random sampling approach that relied on population concentration according to governorates, where around 28% of the population dwells the Northern Region which consist of 4 Governorates, namely: (Irbid, Ajloun, Jerash, and Mafraq), about 63% of the population dwells the Central Region which includes 4 Governorates, namly: (Amman, Balqa, Madaba, and Zarqa), and the rest of the population lives in the Southern Region, which has the lowest population density and includes; (Aqaba, Karak, Ma'an, and Tafilah) (Department of Statistics,2018).

In addition, the sample includes respondents with different education levels; it was noted that 12.5% of the sample has a high school education or less, 11.4% are diploma holders, 53.5% are bachelor degree holders, and 22.6% are higher degree holders. 64.2% of the respondents are specialists in "humanities and social sciences", 29.9% of the respondents are specialists in scientific disciplines, and only 6% are specialists in medical sciences. Therefore this diversity implies that the sample contains different occupations, as 35.6% of the sample worked in the private sector, 25.5% worked in the public sector, and 8.3% are self-employed. On the other hand, 22.6% of the respondents are unemployed and 8.1% of them are retired.

Table (2) presents the frequencies and percentages of respondents' answers of Islamic financial literacy. The results suggest that the majority of answers are correct; only five questions were answered correct by less than 50 percent of respondents. Those questions are related to deposits, financing, and Islamic contracts. The lowest percentage were related to Islamic contracts (Ba' Salam,and Bai' Muajjal), and to foreign currencies in Islamic banking. This is because transactions are not familiar. Only 42.90 percent of respondents believe that the Islamic banking financing is free-of interest, and 46.20 percent of respondents believe that the Islamic banking pays returns on deposits; this indicates the incompetence to realize the scope of the transactions.

Table 2. The frequencies of the respondents' answers of the questionnaire questions.

Questions	Frequencies	Percentage (%)
1. Islamic banks provide financial services that comply with the principles of Islamic Sharia?		
Yes	227	59.00
No	53	13.80
Don't Know	105	27.30
2. Services provided by Islamic banks differ from services provided by conventional banks?		
Yes	223	57.90
No	93	24.20
Don't Know	69	17.90

Questions	Frequencies	Percentage (%)
3. You can deposit and invest your money in Islamic banks?		
Yes	247	64.20
No	48	12.50
Don't Know	90	23.40
4. Clients receive a return from their deposit in Islamic bank?		
Yes	179	46.50
No	66	17.10
Don't Know	140	36.40
5. There are different types of deposits in Islamic banks?		
Yes	231	60.00
No	11	2.90
Don't Know	143	37.10
6. There are foreign currencies deposits in Islamic banks.		
Yes	164	42.60
No	2	00.50
Don't Know	219	56.90
7. Islamic method of finance is interest-free (without Riba)?		
Yes	165	42.90
No	51	13.20
Don't Know	169	43.90
8. You can obtain financing from Islamic banks that comply with the principles of Islamic Sharia?		
Yes	285	74.00
No	16	4.20
Don't Know	84	21.80
9. Clients can buy the goods in an Islamic finance trade credit management (Murabahah)?		
Yes	223	57.90
No	31	8.10
Don't Know	131	34.00
10. Islamic bank lends and share money with clients according to loss profit sharing (Musharakah)?		
Yes	314	81.60
No	14	3.60
Don't Know	57	14.80

Questions	Frequencies	Percentage (%)
11. Islamic bank invests with you to start-up a new business according to Profit Loss Sharing (Mudarabah)?		
Yes	238	61.80
No	11	2.90
Don't Know	136	35.30
12. Islamic bank provides industrial banking (Istisna)?		
Yes	249	64.70
No	6	1.60
Don't Know	130	33.80
13. Islamic bank provides charitable services as (Qarad Hassan), in which the borrower is required only to repay the original amount of principal?		
Yes	225	58.40
No	9	2.30
Don't Know	151	39.20
14. Islamic bank provides lease banking (Ijarah)?		
Yes	236	61.30
No	9	2.30
Don't Know	140	36.40
15. Islamic bank provides agricultural banking (Muzaraha)?		
Yes	225	58.40
No	52	13.50
Don't Know	108	28.10
16. Islamic banks finance, repair, and irrigate agricultural lands, and share the client in output and profit (Musakah)?		
Yes	272	70.60
No	6	1.60
Don't Know	107	27.80
17. Islamic bank provides an Islamic financing contract in which full payment is made in advance for specific good (Ba' Salam)?		
Yes	117	30.40
No	20	5.20
Don't Know	248	64.40
18. Islamic bank provides an Islamic financing contract in which the seller sells certain specific goods that comply with the principles of Islamic Sharia for buyer at an agreed price and date in the future (Bai' Muajjal)?		
Yes	164	42.60
No	12	3.10
Don't Know	209	54.30

Thus, in terms of the level of Islamic financial literacy, the results suggest that 35.3% of the respondents have high level of Islamic financial literacy, 45.2% has an average level of Islamic financial literacy, and 19.5% has a low level of Islamic financial literacy. These results indicate that most of the respondents are educated, and knowledgeable of Islamic banking services. These results are consistent with the results of (Albaity and Rahman, 2019; Setyowati et al,.2018), who found the same results for UAE, and Indonesia, respectively.

In terms of the relationship between the level of Islamic financial literacy and demographic variables, Table (3) shows the results of ordered logistic regression (OLR). These results suggest that education level, positively and statistically affects the Islamic financial literacy (at a critical level of 10%), in which the odds of respondents with a higher-level of education have higher Islamic financial literacy. 2.02 times more than respondents with a high-school education or below (reference group). This finding is consistent with the results of (Al-Tamimi and Bin Kalli ,2009; and Worthington ,2006) who found that respondents with a higher-level of education are more financial literate. In addition, the results suggest that the field of the study positively and statistically affects the Islamic financial literacy, (at a critical level of 5%). The odds of respondents with "humanities and social sciences" specialized field have a higher Islamic financial literacy, 2.35 times the respondents with medical sciences specialists field, (reference group). This may be due to the fact that the respondents with "humanities and Social Sciences" specialized field are more knowledgeable and educated about Islamic banking services and products related to banking in general and Islamic banks in particular. This finding is consistent with the results of (Beal and Delpachitra ,2003; Volpe *et al.,* 1996; and Chen and Volpe ,1998), who found significant effects of field of study on financial literacy in different countries around the world.

Furthermore, the results revealed that the region of residence positively and statistically affects the Islamic financial literacy, (at a critical level of 5%). The odds of respondents from the central and northern regions have a higher Islamic financial literacy, 2.83 and 2.65 times, respectively than respondents from the southern region (reference group). On the other hand, the results suggest no effect of the gender, age, income level, and occupation, on the level of Islamic financial literacy. These results are contrasting with Worthington (2006) who found that gender, age, and occupation are among the factors that affect the levels of financial literacy.

Table 3. Ordered Logistic Regression

Variables	Variables Categories	Odds Ratios	Coefficient	Sig.
Gender	Male	1.21	.197	.384
	Female	reference group	0	-
Age	from 18 to 29	0.62	-.476	.348
	from 30 to 41	0.82	-.195	.696
	from 42 to 53	0.71	-.331	.489
	54 or more	reference group	0	-

Variables	Variables Categories	Odds Ratios	Coefficient	Sig.
Monthly In-come	less than JD 400	0.75	-.278	.424
	between JD 400 and JD 800	1.1	.101	.759
	more than JD 800	reference group	0	-
Region of Resi-dence	Central region	*2.83*	*1.041*	*.007*
	Northern region	*2.65*	*.975*	*.018*
	Southern region	reference group	0	-
Education Level	Higher- education	*2.02*	*.706*	*.069*
	Bachelor degree	1.69	.527	.127
	Diploma	0.77	-.255	.537
	High-School or below	reference group	0	-
Field of Study	Humanities and Social Sciences	*2.35*	*.858*	*.046*
	Scientific Disciplines	1.16	.156	.724
	Medical Sciences	reference group	0	-
Occupation	Public sector	0.73	-.302	.524
	Private sector	0.9	-.104	.797
	Self-Employed	1.33	.290	.373
	Retired	0.7	-.347	.209
	Unemployed	reference group	0	-
Pseudo R-square (Nagelkerke)		0.103072		

Note: all assumptions have been checked before running the model. Tests results available upon request.

The results of this study reveal that Islamic financial literacy is affected by education level, field of study, and region residence. In this section, additional tests were conducted to confirm the main results, and to test if there are any differences in the level of Islamic financial literacy with regards to the study demographic variables. Therefore, the study employed non-parametric tests ("Mann-Whitney U" and "Kruskal -Wallis H"), which are widely accepted and recommended for testing non-normally distributed data (Cleophas and Zwinderman, 2011). The normal distribution results of the study variables are given upon request.

Table (4) illustrates the results of Mann Whitney U test for gender group, in which it reveals no statistically significant differences in the levels of Islamic financial literacy of respondents from different gender groups, as ($p = .695$); It also shows that males' mean rank is extremely close to that of females, which indicate that there is no difference between the two groups in terms of the level of Islamic financial literacy.

Table 4. Non-parametric test: Mann-Whitney Test

Gender		Rank		
Mann-Whitney U	17997.000	Descriptive	N	Mean Rank
Wilcoxon W	33573.000	males	209	194.89
Z	-.392	females	176	190.76
Asymp. Sig. (2-tailed)	.695	Total	385	

In addition, Table (5) illustrates the results of Kruskal-Wallis H test for age, monthly income, region of residence, level of education, field of study, and occupation group, it being clearly evident from the table that there are statistically significant differences between the answers of respondents with different levels of education, fields of study, and regions of residence groups. Thus, age, monthly income, and occupation didn't seem to matter in Islamic financial literacy.

Table 5. Non-parametric test: Kruskal Wallis Test

Age		Education Level	
Chi-Square	1.402	Chi-Square	9.650
df	3	df	3
Asymp. Sig.	.705	Asymp. Sig.	.022
Monthly Income		**Field of Study**	
Chi-Square	4.224	Chi-Square	9.947
df	2	df	2
Asymp. Sig.	.121	Asymp. Sig.	.007
Region of Residence		**Occupation**	
Chi-Square	4.885	Chi-Square	4.075
df	2	df	4
Asymp. Sig.	.087	Asymp. Sig.	.396

Conclusions and Recommendations

Islamic financial literacy plays an important role in enhancing the acceptability of Islamic banking (Ahmad and Haron 2002). Therefore, the main objective of this study is to determine the level of financial literacy with Islamic banking services in Jordan, as well as, determine whether the demographic factors (gender, age, monthly income, region of residence, level of education, field of study, and occupation) affect Islamic financial literacy. It was found that 35.3% of the participants have high level of Islamic financial literacy, 45.2% have average Islamic financial literacy, and 19.5% have low Islamic financial literacy. According to the results of ordered logistic regression, the Islamic financial literacy level was found to be affected by level of education, Field of study, and region of residence. Respondents with a High level of education, "humanities and social sciences" specialists, and residents in the central and northern regions have the highest Islamic financial literacy. However, respondents with a high-school education or below, medical sciences specialists and residents on the southern region have the lowest Islamic financial literacy. These findings are also upheld when using alternative non-parametric tests. The results are based on the answers of 385 individuals from the northern, central, and southern regions in Jordan.

The study recommends the Central Bank of Jordan and Jordanian legislators focus on the groups that showed the lowest level of Islamic financial literacy and try to increase their level of literacy. In addition, the result of this study holds important implications for

Islamic bank managers, financial policy makers, and researchers. Further research can be conducted on financial literacy to point out the differences between the characteristics of services provided by conventional and Islamic banks, as it has been noticed that many individuals are confused between the services provided by each type of bank. Finally, the study can be extended to compare the level of Islamic financial literacy in countries of the Middle East.

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