

Islamic Financial Literacy and Its Determinants: A Field Study on Turkey

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Abstract With the increasing interest in Islamic finance and banking in recent years, the issue of Islamic financial literacy has become very important. With the development and increase of Islamic financial products, it is possible to make the right choice and make right decisions about Islamic financial products by mastering Islamic financial literacy. The purpose of the current study is to determine the Islamic financial literacy level of people living in Turkey and to identify the factors affecting their level of Islamic financial literacy. To this end, a questionnaire was administered to 479 people in Turkey. The questionnaire consists of 47 items gathered under four sub-dimensions called “General Islamic Finance”, “Islamic Products”, “Islamic Financial Calculation” and “Islamic Financial Institutions and Activities”. In the current study, t-test, ANOVA and post-hoc tukey test were used. As a result of the analyses, the Islamic financial literacy level of the participants was found to be low. Moreover, the variables such as gender, age, profession, marital status, being a customer of a Islamic bank were found to have effects on the level of Islamic financial literacy.

Keywords: Financial literacy, Islamic financial literacy, Islamic banking, Islamic finance, demographic variables.

JEL Classification: G21, G53, J10.

1. Introduction

Islamic banking system in Turkey has been operating for nearly 35 years since the first Islamic bank was founded in 1985. Changes have been experienced in the Islamic banking system and the system has shown a continuous development since 1985. In its current state, Turkey is rapidly becoming one of the most important centres of Islamic

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finance and banking in the world. Currently, six Islamic banks operate in Turkey. Three of these banks continue their financial activities as public banks. The other three Islamic banks are foreign capital banks. The fact that Islamic banks operate in the banking sector, compete with conventional banks and offer new products and alternatives is important for all Muslim and non-Muslim customers. Kontot et al. (2016) stated that after many shocks in the conventional banking system in recent years, Islamic banking and finance has attracted global attention. To date, many academic studies have been conducted on the financial performance of Islamic banks, their situation in the face of financial crises, and their risk and management approaches. However, there is limited research on Islamic financial literacy.

Financial literacy is facing increasing interest from many groups such as governments, investors, bankers, capital markets and academics, especially in developing countries (Ganesan et al., 2020). Development of new financial products, complex structure of financial markets, political changes, demographic and economic factors are effective in increasing interest in financial literacy (Al-Tamimi and Kalli, 2009: 500). In addition, the effect of changes and developments in information technologies on economic and financial systems in the world makes financial literacy more important. While Miller et al. (2009) draws attention to the importance of financial literacy, they point to the effect of many factors such as evaluation of financial services and products that are becoming increasingly complex, the processes of making decisions for these products, methods of dealing with financial difficulties, improving financial behaviour and increasing the quality of financial services.

Today, the inadequacy of financial knowledge and skills of young population faced with complex financial structures, products and services increases the concerns of both families and authorities about financial literacy. Ganesan et al. (2020) state that low level of financial information will create major problems for countries. In their study conducted among university students in Malaysia, Sabir et al. (2008) found that students tend to spend for non-academic purposes, and their tendency to save after receiving scholarships or student loans is extremely low. Similarly, İbrahim et al. (2009) attributed the poor money management skills of university students to low financial literacy in Malaysia. Er and Mutlu (2017) developed a questionnaire based on the OECD financial literacy index and administered this questionnaire to 388 people. The questionnaire consists of 4 sections. These sections are Islamic financial literacy knowledge index, attitude index, behaviour index and general index. In the study, the Islamic financial literacy index was calculated to be 58% and it was commented that this value was low and thus Islamic financial literacy should be developed.

Since 2015, three Islamic state banks have been established in Turkey. Increasing the number of Islamic banks and their share in the banking sector is supported by the state. Thus, the developing Islamic banking in Turkey makes it necessary to investigate the state of financial literacy in Turkey. Since the products of Islamic banking are structurally different from those of conventional banks and they are distinguished from conventional banks in terms of fundraising and funding methods, society can make correct financial decisions only if they have Islamic financial literacy. As the financial

literacy levels of individuals affect their financial perceptions, attitudes and behaviours (Ganesan, 2020; Ahmad, 2020; Eliza & Susanti, 2020), Islamic financial literacy levels are also effective in the preference of the Islamic financial system (Çömlekçi, 2017; Zaman et al., 2017).

The purpose of the current study is to determine the level of Islamic financial literacy in Turkey and the determinants of Islamic financial literacy. In this framework, a questionnaire was administered to 476 people in Turkey. As a result of the study, it was determined that the Islamic financial literacy levels of the participants are low. In addition, it was concluded that demographic variables and the status of being an Islamic bank customer affect the level of Islamic financial literacy. The results obtained from this study are important for Turkey. In Turkey, Islamic finance and banking are in the stage of development and also supported by the state. Accordingly, achieving the expected benefit from Islamic finance and Islamic banking will be possible with the development of Islamic financial literacy. In this respect, it is important for policy makers to implement policies that will ensure the development of Islamic financial literacy.

The current study consists of five sections. After the introduction that constitutes the first section, the second section includes the literature review. In the third section, the methodology of the study is presented and in the fourth section of the study, the findings of the study are discussed and in the last section, discussion and results are presented.

2. Literature Review

The concept of financial literacy is associated with many concepts, including financial knowledge, financial ability, financial education and financial competence. Although Zait and Berteau (2015) state that these concepts can be used interchangeably, there are also studies revealing that each concept has a different meaning. For example, Huston (2010) considers financial education as a human resource investment in financial knowledge and practices. Atkinson and Messy (2012: 14) define financial literacy as “the sum of awareness, knowledge, skills, attitudes and behaviours needed to make healthy financial decisions and ultimately achieve financial prosperity”. The definition of financial literacy by the Organization for Economic Development and Cooperation (OECD) is as follows: “the process of increasing financial welfare by ensuring that financial consumers are informed about financial products and concepts or have enough awareness to make choices between financial risks and alternatives.” As a result of the increasing importance of financial literacy, the International Network on Financial Education (INFE) has been established within the OECD to determine the financial literacy levels of people living in various countries of the world. INFE aims to measure people’s attitudes towards basic issues related to budgeting, fund management, short and long-term financial decisions and financial product selection with the questionnaire developed to determine financial literacy levels. The financial knowledge score was developed with the questionnaire developed by INFE and applied to 14 different countries. As a result of the comprehensive survey, it was determined that the participants could not get high financial literacy scores.

Remund (2010) stated that financial literacy definitions include 5 dimensions:

- i. Financial concept knowledge,
- ii. Competence to comment on financial concepts,
- iii. Ability to manage personal finance,
- iv. Ability to make appropriate financial decisions,
- v. Ability to effectively plan future financial needs.

With the dimensions he described, Remund (2010) has revealed the key concepts of various financial literacy studies. Rahim et al. (2016) defined Islamic financial literacy as “the ability to use financial knowledge, ability and attitude while managing financial resources according to Islamic techniques” with a definition similar to that of financial literacy. It is seen that recent national and international research on financial literacy has addressed different aspects of financial literacy. Some of these studies are focused on investors (Al-Tamimi and Kalli, 2009; van Rooij et al., 2011; Almenberg and Dreber, 2015; Krische, 2019), some of them are focused on demographic features (Hogart, 2002; Lusardi and Mitchell, 2011; Ansong and Gyensare, 2012, Doğan; 2019), some of them are focused on students (Chen and Volpe, 2002; Beal and Delpachtira, 2003; Louw et al., 2013; Kılıç et al., 2015; Biçer and Altan, 2016).

2.1 Dimension of Islamic Financial Literacy

The basis of Islamic finance is its strict adherence to Islamic law (Sharia) and the prohibition of interest on financial transactions (Salman and Ausaf, 2004; Khan and Bhatti, 2008). According to Chapra (1985), Islamic finance is a value-based and asset-based system and should strive to achieve Islamic goals such as social equality, poverty reduction and human well-being. In this context, Islamic financial literacy can be defined as understanding and applying finance on the basis of Islamic law (Abdul Hamid and Mohd. Nordin; 2001). Houston (2010) distinguished the concepts of financial knowledge and financial literacy from each other and defined Islamic financial literacy as “the knowledge gained through the use of Islamic financial products and concepts”. One of the main problems faced by Islamic finance is the shortage of sufficient human resources to develop Islamic financial products and services (Abdullah and Anderson, 2015). In recent years, there has been an increase in studies aiming to determine the financial literacy levels of university students. University students represent the demographically young part of the countries and their human resources. In this respect, the financial literacy level of university students is important for making the right financial decisions. However, it is seen that conclusions have been reached in studies showing that both financial literacy and Islamic financial literacy levels are low among university students (Sabir et al., 2008; İbrahim et al., 2009; Rahim et al., 2016; Durmuş and Yardımcıoğulları, 2018). For example, Durmuş and Yardımcıoğlu (2018) researched the financial literacy and Islamic financial literacy levels of the students of the Faculty of Theology using the survey method. In the study conducted on 269 students at Sakarya University, it was concluded that the students of theology were not literate of Islamic finance. The use of different criteria by researchers in the measurement of Islamic financial literacy is another aspect of the issue (Hidajat and Hamdani; 2017). It is seen that the questionnaire method is

widely used to calculate Islamic financial literacy scores or to determine the Islamic financial literacy levels of individuals (Abdullah and Anderson, 2015; Antara et al., 2016; Zaman et al., 2017; Er and Mutlu, 2017; Sapir and Ahmad, 2020). In addition, the factors affecting Islamic financial literacy should be investigated for the development of Islamic finance (Eliza and Susanti, 2020). In this context, demographic differences (Abdullah and Razak; 2015; Çömlekçi, 2017; Abdullah et al., 2017; Albaity and Rahman, 2019; Eser and Yiğiter; 2020; Daradkah et al., 2020), attitudes, knowledge and behaviours (Zaman et al., 2017; Bekereci, 2018; Ganesan, 2020), religious beliefs and education (Rahim et al., 2016; Zaman et al., 2017; Suci and Hardi, 2020; Ahmad et al., 2020) have been reported to be the factors affecting the level of Islamic financial literacy. For example, in the study conducted by Çömlekçi (2017) to determine the Islamic financial literacy levels of Islamic bank customers, it was found that the level of Islamic financial knowledge and Islamic financial literacy is low. In the study, it was concluded that demographic variables such as gender, age, education level, occupational group and income status are effective on Islamic financial knowledge and Islamic financial literacy level. Abdullah et al. (2017) concluded that gender has a significant correlation with Islamic financial literacy and Albaity and Rahman (2019) found that the level of Islamic financial literacy changes as a function of gender, income status and work experience. Eser and Yiğiter (2020) found that male Islamic bank customers' level of financial literacy is higher than that of female customers.

Daradkah et al. (2020) concluded in their study conducted in Jordan that demographic variables such as education level, region of residence and study area have a significant correlation with the level of Islamic financial literacy. Sapir and Ahmad (2020) revealed that financial education and practices affect the financial literacy score. In addition, it was concluded in the study that social environment and interaction increase the level of financial literacy. The research results of Suci and Hardi (2020) support the results of Sapir and Ahmad (2020). Suci and Hardi (2020) provided financial consultancy to Muslim and non-Muslim firms, and then concluded that the financial literacy level of both groups increased.

In light of all the studies and findings mentioned above, we have developed our first hypothesis.

H₁: Demographic variables are effective on Islamic financial literacy.

Having knowledge about Islamic financial products and services is closely associated with the level of Islamic financial literacy and the tendency to use Islamic products (Abdullah and Anderson, 2015; Antara, 2016; Zaman, 2017; Ahmad et al., 2020). Although Islamic finance is developing in the world, the centre of Islamic banking and finance is Muslim countries today. Today, almost the whole sukuk market, which has an important place in the Islamic finance market, is dominated by the Muslim countries such as the Gulf Cooperation countries, Malaysia, Indonesia, Turkey and Pakistan (<https://www.fitchratings.com/research/islamic-finance/sukuk-issuance-rose-in-2019-as-diversification-continues-11-02-2020>). In this respect, a greater awareness is expected from Muslim countries about Islamic financial literacy and they are thought to have

more information about Islamic financial products and services. The study conducted by Abdullah and Anderson (2015) is important in terms of explaining the effect of Islamic financial knowledge and trend on Islamic financial literacy. In this study, Abdullah and Anderson (2015) conducted a comprehensive research on bankers in Kuala Lumpur / Malaysia and identified nine factors affecting the level of financial literacy. These factors include views on banking products, views on Islamic banking products, parents' influence on the views of Islamic products and services, factors affecting investments in securities, views on conventional banking products, attitudes towards personal financial management, effect of personal financial management and knowledge about wealth planning and management. Antara et al. (2016) concluded that the basic determinants are knowledge of Islamic finance principles and Islamic finance methods. Zaman et al. (2017) concluded that the service quality and legitimacy of Islamic banking have an impact on the adoption of Islamic banking products and services. Ahmad et al. (2020) identified compliance with Sharia and knowledge of the concepts of interest and profit/loss as two main dimensions that determine financial literacy. Similarly, Ganesan et al. (2020), in their study in Malaysia, concluded that if Islamic banking customers intend to have information about Islamic finance issues, their behaviours, attitudes and personal judgments are affected by this. In this connection, we have developed the second hypothesis of the study.

H₂: Being a customer of an Islamic bank is influential on the level of Islamic financial literacy.

Studies on the determinants and measurement of Islamic financial literacy can be seen in the literature given in detail above. In addition, there are studies investigating Islamic financial literacy in different dimensions, and the results obtained have given the opportunity to evaluate the subject from different aspects. Studies that measure the effect of professional groups on Islamic financial literacy can be shown as an example. Çömlekçi (2017), Er and Mutlu (2017) and Daradkah et al. (2020) addressed the issue in relation to occupational groups. Studies have revealed different results regarding the effect of occupational groups on the level of Islamic financial literacy. Çömlekçi (2017) reached the conclusion that public employees have a high level of Islamic financial literacy, while Er and Mutlu (2017) determined the Islamic financial literacy level of private sector employees is higher. Daradkah et al. (2020) could not find a relationship between the occupational group and the level of Islamic financial literacy. In this connection, we have developed the third hypothesis of the study.

H₃: Professional group is influential on the level of Islamic financial literacy.

As a result, there is an extensive literature on financial literacy, the factors affecting financial literacy and their importance. However, much of the empirical research done to date has focused on conventional financial literacy, and Islamic financial literacy has been a subject to a limited amount of research (Eliza and Susanti, 2020; Daradkah et al., 2020). As the current study has reached some results regarding Islamic financial literacy in Turkey, it is believed to make important contributions to the literature. The new findings obtained are important as they provide new evidence.

3. Research Methodology

3.1. Purpose of the Study

The purpose of the current study is to identify the level of Islamic financial literacy of the individuals living in Turkey and to determine the demographic variables affecting the level of Islamic financial literacy. In this context, it was investigated whether the demographic variables such as gender, age, marital status, income status, education level, the sector of employment and the state of being a customer of an Islamic bank have effects on the level of Islamic financial literacy. Islamic financial literacy was divided into 4 dimensions and the levels of individuals for each dimension were evaluated as either basic level or advanced level and on the basis of the total score. These dimensions were grouped as “*General Islamic Finance*”, “*Islamic Products*”, “*Islamic Finance Calculations*”, “*Islamic Finance Institutions and Operations*” and then the total Islamic financial literacy levels of individuals were calculated.

3.2. Population and Sample of the Study

The population of the current study is all the people aged 18 or over and living in Turkey while the sample of the study is comprised of 476 people. The questionnaire was administered to the participants in the period between July and September 2020. The questionnaire was administered online and people from a total of 32 different cities participated in the survey. In Turkey, there were about 57 million people aged 18 or over and living in Turkey in 2020. For a sample of 476 people and a population of 57 million, the margin of error arising from the sample at 95% confidence level is 4.49%.

3.3. Data Collection Tool

In the current study, the Islamic Financial Literacy Questionnaire was used. The Islamic Financial Literacy Questionnaire consists of 4 dimensions. For each correct answer to each item in the questionnaire, 1 point is assigned while no point is assigned when no answer or false answer is given or the option “Don’t know” is marked. Then, by summing the points, the total score of each participant is calculated.

The questionnaire has two sections. The first section (Items 1-6) includes items to elicit demographic information. In the second section, there is the financial literacy scale consisted of 38 items. The items 1, 2, 4, 9, 10, 15, 20, 22, 28, 29, 30 and 31 are the items originally used by Louw, Fouche and Jaco (2013) and adapted to Turkish by Kılıç, Ata and Seyrek (2012), the item 21 is the item originally used by Chen and Volpe (1998) and adapted to Turkish by Kılıç, Ata and Seyrek (2012); the items 26 and 27 are the items originally used by Knoll and Huts (2012) and adapted to Turkish by Kılıç, Ata and Seyrek (2012); the items 34, 36, and 38 are the items originally used by Chinen and Endo (2012) and adapted to Turkish by Kılıç, Ata and Seyrek (2015).

The first 32 items can be responded with one of the following options “True”, “False” and “Don’t know”. The items 33-38 are multiple choice items. The financial literacy dimensions used in the scale were divided into four groups. These groups are as follows;

Table 1. Items in the Dimensions of Islamic Financial Literacy

Scale and Dimensions	Survey Items
General Islamic Finance (Total)	3,4,5,7,8,9,12,13,17,18,19,20,22,39,40,41,42
<i>General Islamic Finance (Advanced)</i>	19,20
<i>General Islamic Finance (Basic Level)</i>	3,4,5,7,8,9,12,13,17,18, 22,39,40,41,42
Islamic Products (Total)	6,10,11,14,16,21,24,25,26,27,36,37,38
<i>Islamic Products (Advanced)</i>	11,14,21,27,36,37
<i>Islamic Products (Basic Level)</i>	6,10,16,24,25,26,27,38
Islamic Finance Calculations (Total)	23,29,30,32,33,34,35
<i>Islamic Finance Calculations (Advanced)</i>	29,30
<i>Islamic Finance Calculations (Basic Level)</i>	23,32,33,34,35
Islamic Finance Institutions and Operations (Total)	1,2,15,28,31,43,44,45,46,47
<i>Islamic Financial Institutions and Operations (Advanced)</i>	15,44,45,46,47
<i>Islamic Financial Institutions and Operations (Basic Level)</i>	1,2,28,31,43
Islamic Financial Literacy (Total)	1-47
<i>Islamic Financial Literacy (Total Advanced)</i>	11,14,15,19,20,21,27,29,30,36,37,44,45,46,47
<i>Islamic Financial Literacy (Total Basic Level)</i>	1-10 12,13,16,17,18,22-26,28,31-35,38-43

3.4. Research Method

As the data obtained were found to be normally distributed, two of the parametric tests; t-test and ANOVA, were used. Post-Hoc Tukey test was used to make multiple comparisons between the groups in ANOVA test. In addition, descriptive statistics obtained for the data about demographic features are given in the current study.

4. Findings

In this section of the study, findings related to the level of Islamic financial literacy of the participants living in Turkey are given.

Table 2. Demographic Information of Participants

	Features	N	%		Features	N	%
Gender	Female	204	42.9	Having an account in an Islamic bank	Yes	133	27.9
	Male	272	57.1		No	343	72.1

	Features	N	%		Features	N	%
Age	18-25	348	73.1	How many different Islamic bank accounts do you have?	1	78	16.4
	26-35	62	13.0		2	35	7.4
	36-50	46	9.7		3 and over	20	4.2
	51 and over	20	4.2		Less than 1 year	18	3.8
Marital status	Single	370	77.7	How many years have you had an Islamic bank account?	1-3 years	62	13.0
	Married	106	22.3		3-5 years	33	6.9
Education	Primary	20	4.2		5-10 years	14	2.9
	High School	128	26.9		10 years and over	6	1.3
	Associate degree	194	40.8	Public sector	72	15.1	
Income	Bachelor and over	134	28.2	Occupation	Private sector	108	22.7
	1500 TL and below	240	50.4		Self-employed	32	6.7
	1501 TL-2500 TL	74	15.5		Retired	12	2.5
	2501 TL-4000 TL	90	18.9		Unemployed	252	52.9
	4001 TL-6000 TL	40	8.4				
	6001 TL and over	32	6.7				

Table 2 includes demographic and Islamic banking information of the individuals participating in the study. According to the results, most of the participants are single and between the ages of 18-25. In addition, 57.1% of the individuals participating in the study are males, 40.8% hold an associate's degree, 50.4% have an income of 1500 TL or less, and 22.7% are working in the private sector. In addition, 27.9% of the participants have an account in an Islamic bank. While 16.4% of the participants have an account only in one Islamic bank, 13% of them have had an account in an Islamic bank for 1-3 years.

Table 3. Descriptive Statistics for the Dimensions of Islamic Financial Literacy

Dimensions	True (%) (Mean)	Std. Dev.
General Islamic Finance (Total)	33.79	21.81
<i>General Islamic Finance (Advanced)</i>	33.40	41.39
<i>General Islamic Finance (Basic Level)</i>	33.70	21.92
Islamic Products (Total)	28.31	28.98
<i>Islamic Products (Advanced)</i>	27.03	32.37
<i>Islamic Products (Basic Level)</i>	29.41	29.04
Islamic Finance Calculations (Total)	29.95	30.64
<i>Islamic Finance Calculations (Advanced)</i>	27.52	37.68
<i>Islamic Finance Calculations (Basic Level)</i>	30.92	33.26
Islamic Finance Institutions and Operations (Total)	35.38	27.55
<i>Islamic Financial Institutions and Operations (Advanced)</i>	32.10	33.96
<i>Islamic Financial Institutions and Operations (Basic Level)</i>	38.66	26.88
Islamic Financial Literacy (Total)	32.06	23.72
<i>Islamic Financial Literacy (Total Advanced)</i>	29.64	29.67
<i>Islamic Financial Literacy (Total Basic Level)</i>	33.20	22.35

As can be seen in Table 3, the total Islamic financial literacy is 32.06% while the total basic level Islamic financial literacy is 33.20% and the total advanced Islamic literacy is 29.64%. The highest literacy level was found for the dimension of “Islamic Financial Institutions and Operations” (35.38%) while the lowest literacy level was found for the dimension of “Islamic Products” (27.03%).

Table 4. Comparison of Islamic Financial Literacy Levels by Gender

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
General Islamic Finance (Total)	Female	204	33.97	22.67	.875
	Male	272	33.65	21.18	
<i>General Islamic Finance (Advanced)</i>	Female	204	36.27	40.41	.190
	Male	272	31.25	42.06	
<i>General Islamic Finance (Basic Level)</i>	Female	204	33.56	22.57	.908
	Male	272	33.80	21.47	
Islamic Products (Total)	Female	204	27.90	29.21	.790
	Male	272	28.62	28.86	

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
<i>Islamic Products (Advanced)</i>	Female	204	25.98	32.21	.540
	Male	272	27.82	32.53	
<i>Islamic Products (Basic Level)</i>	Female	204	29.55	29.56	.928
	Male	272	29.31	28.69	
Islamic Finance Calculations (Total)	Female	204	33.89	31.19	.015**
	Male	272	27.00	29.94	
<i>Islamic Finance Calculations (Advanced)</i>	Female	204	29.41	38.03	.344
	Male	272	26.10	37.43	
<i>Islamic Finance Calculations (Basic Level)</i>	Female	204	35.69	34.11	.007***
	Male	272	27.35	32.22	
Islamic Finance Institutions and Operations (Total)	Female	204	38.24	28.88	.050**
	Male	272	33.24	26.36	
<i>Islamic Finance Institutions and Operations (Advanced)</i>	Female	204	32.94	35.36	.641
	Male	272	31.47	32.93	
<i>Islamic Finance Institutions and Operations (Basic Level)</i>	Female	204	43.53	27.28	.001***
	Male	272	35.00	26.03	
Islamic Financial Literacy (Total)	Female	204	33.17	24.62	.378
	Male	272	31.23	23.04	
<i>Islamic Financial Literacy (Total Advanced)</i>	Female	204	30.13	29.96	.753
	Male	272	29.26	29.51	
<i>Islamic Financial Literacy (Total Basic Level)</i>	Female	204	34.59	23.48	.238
	Male	272	32.15	21.44	

*10%, **5% and ***1% statistical significance.

The results of the independent samples t-test conducted to determine the relationship between the participants' gender and Islamic literacy level are presented in Table 4. According to the results of the analysis, the scores taken from the dimensions of "Islamic Finance Calculations" and "Islamic Institutions and Operations" vary significantly by gender at the basic level and in total. In other words, the scores of the female participants are higher than those of the male participants taken from the dimensions of "Islamic Finance Calculations" and "Islamic Financial Institutions and Operations" at the basic level and in total. On the other hand, the scores taken from the dimensions of "Islamic Finance Calculations" and "Islamic Financial Institutions and Operations" do not vary significantly by gender at the advanced level. Similarly, the scores taken from the dimensions of basic and advanced level "General Islamic Finance" and "Islamic Products" and the total financial literacy were found to be not varying significantly depending on gender.

Table 5. Comparison of Islamic Financial Literacy Levels by Marital Status

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
General Islamic Finance (Total)	Female	370	32.69	21.10	.040**
	Male	106	37.63	23.82	
<i>General Islamic Finance (Advanced)</i>	Female	370	31.08	39.56	.022**
	Male	106	41.51	46.53	
<i>General Islamic Finance (Basic Level)</i>	Female	370	32.72	21.54	.069*
	Male	106	37.11	23.00	
Islamic Products (Total)	Female	370	28.19	27.87	.864
	Male	106	28.74	32.73	
<i>Islamic Products (Advanced)</i>	Female	370	26.58	31.06	.568
	Male	106	28.62	36.71	
<i>Islamic Products (Basic Level)</i>	Female	370	29.58	28.18	.819
	Male	106	28.84	31.97	
Islamic Finance Calculations (Total)	Female	370	29.96	30.49	.990
	Male	106	29.92	31.33	
<i>Islamic Finance Calculations (Advanced)</i>	Female	370	28.65	37.77	.223
	Male	106	23.58	37.29	
<i>Islamic Finance Calculations (Basic Level)</i>	Female	370	30.49	32.99	.592
	Male	106	32.45	34.30	
Islamic Finance Institutions and Operations (Total)	Female	370	34.49	26.54	.187
	Male	106	38.49	30.76	
<i>Islamic Finance Institutions and Operations (Advanced)</i>	Female	370	31.68	32.76	.610
	Male	106	33.58	38.00	
<i>Islamic Finance Institutions and Operations (Basic Level)</i>	Female	370	37.30	26.41	.039**
	Male	106	43.40	28.08	
Islamic Financial Literacy (Total)	Female	370	31.44	22.86	.292
	Male	106	34.20	26.54	
<i>Islamic Financial Literacy (Total Advanced)</i>	Female	370	29.15	28.46	.508
	Male	106	31.32	33.65	
<i>Islamic Financial Literacy (Total Basic Level)</i>	Female	370	32.52	21.69	.218
	Male	106	35.56	24.47	

*10%, **5% and ***1% statistical significance.

The results of the t-test conducted to compare the participants' Islamic financial literacy levels by marital status are presented. According to the results, the general Islamic finance knowledge level varies significantly depending on marital status. Similarly, the scores taken from the dimension of basic level "Islamic Finance Institutions and

Operations” vary significantly depending on marital status. In other words, the general Islamic finance knowledge level and Islamic institutions and operations knowledge level of the married participants are higher than those of the single participants. On the other hand, the total Islamic financial literacy score and the scores taken from the other dimensions were found to be not varying significantly depending on marital status.

Table 6. Comparison of Islamic Financial Literacy Levels by Age

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
General Islamic Finance (Total)	25 and under	348	31.91	20.44	.002***
	26 and over	128	38.88	24.52	
<i>General Islamic Finance (Advanced)</i>	25 and under	348	31.03	40.35	.039**
	26 and over	128	39.84	43.63	
<i>General Islamic Finance (Basic Level)</i>	25 and under	348	31.90	20.78	.003***
	26 and over	128	38.59	24.17	
Islamic Products (Total)	25 and under	348	27.76	27.59	.496
	26 and over	128	29.81	32.55	
<i>Islamic Products (Advanced)</i>	25 and under	348	25.77	30.92	.160
	26 and over	128	30.47	35.93	
<i>Islamic Products (Basic Level)</i>	25 and under	348	29.47	27.99	.938
	26 and over	128	29.24	31.81	
Islamic Finance Calculations (Total)	25 and under	348	29.64	30.25	.714
	26 and over	128	30.80	31.79	
<i>Islamic Finance Calculations (Advanced)</i>	25 and under	348	27.87	37.37	.737
	26 and over	128	26.56	38.65	

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
<i>Islamic Finance Calculations (Basic Level)</i>	25 and under	348	30.34	33.11	.531
	26 and over	128	32.50	33.77	
Islamic Finance Institutions and Operations (Total)	25 and under	348	34.20	26.87	.123
	26 and over	128	38.59	29.21	
<i>Islamic Finance Institutions and Operations (Advanced)</i>	25 and under	348	31.61	33.21	.603
	26 and over	128	33.44	36.03	
<i>Islamic Finance Institutions and Operations (Basic Level)</i>	25 and under	348	36.78	26.54	.012**
	26 and over	128	43.75	27.23	
Islamic Financial Literacy (Total)	25 and under	348	30.95	22.50	.093*
	26 and over	128	35.07	26.63	
<i>Islamic Financial Literacy (Total Advanced)</i>	25 and under	348	28.70	28.31	.256
	26 and over	128	32.19	33.08	
<i>Islamic Financial Literacy (Total Basic Level)</i>	25 and under	348	32.01	21.30	.056*
	26 and over	128	36.43	24.76	

*10%, **5% and ***1% statistical significance.

In Table 6, the results of the comparisons of the participants' Islamic financial literacy levels by age are presented. Age ranges of the participants are not homogeneous. Therefore, the age ranges of the participants were made homogeneous by dividing them into 2 groups. As a result of the analysis, it was found that the scores taken from the dimensions of basic level "General Islamic Finance" and "Islamic Finance Institutions and Operations" and the total Islamic financial literacy vary significantly by age. In other words, the general Islamic finance, Islamic finance institutions and operations basic and total Islamic financial literacy levels of the participants aged 26 and over are higher than those of the participants aged 25 and under. On the other hand, scores taken from the other dimensions of Islamic financial literacy were found to be not varying significantly by age.

Table 7. Comparison of Islamic Financial Literacy Levels by Education Level

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
General Islamic Finance (Total)	High School	148	30.21	20.50	.024**
	Associate's Degree	194	36.69	20.40	
	Bachelor and over	134	33.54	24.57	
<i>General Islamic Finance (Advanced)</i>	High School	148	30.41	42.71	.019**
	Associate's Degree	194	39.69	40.04	
	Bachelor and over	134	27.61	40.93	
<i>General Islamic Finance (Basic Level)</i>	High School	148	30.18	20.84	.048**
	Associate's Degree	194	36.01	20.74	
	Bachelor and over	134	34.23	24.29	
Islamic Products (Total)	High School	148	25.05	25.13	.255
	Associate Degree	194	29.98	29.37	
	Bachelor and over	134	29.51	32.14	
<i>Islamic Products (Advanced)</i>	High School	148	25.00	29.64	.648
	Associate's Degree	194	28.18	32.13	
	Bachelor and over	134	27.61	35.58	
<i>Islamic Products (Basic Level)</i>	High School	148	25.10	24.81	.092*
	Associate's Degree	194	31.52	29.58	
	Bachelor and over	134	31.13	32.10	
Islamic Finance Calculations (Total)	High School	148	26.06	27.62	.063*
	Associate's Degree	194	33.73	31.61	
	Bachelor and over	134	28.78	31.97	

<i>Islamic Finance Calculations (Advanced)</i>	High School	148	22.30	33.14	.127
	Associate's Degree	194	29.90	37.17	
	Bachelor and over	134	29.85	42.53	
<i>Islamic Finance Calculations (Basic Level)</i>	High School	148	27.57	30.72	.061*
	Associate's Degree	194	35.26	35.00	
	Bachelor and over	134	28.36	32.93	
Islamic Finance Institutions and Operations (Total)	High School	148	30.81	25.38	.048**
	Associate's Degree	194	37.94	27.43	
	Bachelor and over	134	36.72	29.55	
<i>Islamic Finance Institutions and Operations (Advanced)</i>	High School	148	26.76	31.35	.063*
	Associate's Degree	194	33.81	34.59	
	Bachelor and over	134	35.52	35.34	
<i>Islamic Finance Institutions and Operations (Basic Level)</i>	High School	148	34.86	25.57	.046**
	Associate's Degree	194	42.06	26.15	
	Bachelor and over	134	37.91	28.84	
Islamic Financial Literacy (Total)	High School	148	28.29	20.90	.046**
	Associate's Degree	194	34.70	23.22	
	Bachelor and over	134	32.39	26.81	
<i>Islamic Financial Literacy (Total Advanced)</i>	High School	148	25.95	26.77	.177
	Associate's Degree	194	31.82	29.23	
	Bachelor and over	134	30.55	33.01	
<i>Islamic Financial Literacy (Total Basic Level)</i>	High School	148	29.39	19.90	.024**
	Associate's Degree	194	36.05	21.91	
	Bachelor and over	134	33.26	24.92	

*10%, **5% and ***1% statistical significance.

Results of the One-Way Anova test conducted to compare the participants' Islamic literacy levels by education level are given in Table 7. According to the results of the analysis, the scores taken from the dimensions of "General Islamic Finance", "Islamic Finance Calculations" and "Islamic Finance Institutions and Operations" vary significantly depending on education level. On the other hand, the scores taken from the dimension of "Islamic Products" were found to be not varying significantly depending on education level. According to the results obtained from the Post HOC Tukey test, the Islamic financial literacy level of the participants having high school or lower education is significantly lower than that of the participants having education level higher than high school.

Table 8. Comparison of Islamic Financial Literacy Levels by Income Status

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
General Islamic Finance (Total)	1500 TL and below	240	32.55	21.73	.212
	1501 TL and over	236	35.04	21.87	
<i>General Islamic Finance (Advanced)</i>	1500 TL and below	240	33.33	40.05	.970
	1501 TL and over	236	33.47	42.80	
<i>General Islamic Finance (Basic Level)</i>	1500 TL and below	240	32.45	22.04	.209
	1501 TL and over	236	34.97	21.78	
Islamic Products (Total)	1500 TL and below	240	28.27	28.36	.974
	1501 TL and over	236	28.36	29.67	
<i>Islamic Products (Advanced)</i>	1500 TL and below	240	28.19	31.38	.430
	1501 TL and over	236	25.85	33.38	
<i>Islamic Products (Basic Level)</i>	1500 TL and below	240	28.33	28.33	.414
	1501 TL and over	236	30.51	29.76	
Islamic Finance Calculations (Total)	1500 TL and below	240	31.91	28.97	.161
	1501 TL and over	236	27.97	32.19	

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
<i>Islamic Finance Calculations (Advanced)</i>	1500 TL and below	240	30.83	38.91	.153
	1501 TL and over	236	24.15	36.16	
<i>Islamic Finance Calculations (Basic Level)</i>	1500 TL and below	240	32.33	31.39	.352
	1501 TL and over	236	29.49	35.08	
Islamic Finance Institutions and Operations (Total)	1500 TL and below	240	34.42	26.16	.443
	1501 TL and over	236	36.36	28.93	
<i>Islamic Finance Institutions and Operations (Advanced)</i>	1500 TL and below	240	30.83	32.41	.412
	1501 TL and over	236	33.39	35.50	
<i>Islamic Finance Institutions and Operations (Basic Level)</i>	1500 TL and below	240	38.00	25.80	.592
	1501 TL and over	236	39.32	27.97	
Islamic Financial Literacy (Total)	1500 TL and below	240	31.67	22.98	.717
	1501 TL and over	236	32.46	24.50	
<i>Islamic Financial Literacy (Total Advanced)</i>	1500 TL and below	240	30.11	27.93	.725
	1501 TL and over	236	29.15	31.39	
<i>Islamic Financial Literacy (Total Basic Level)</i>	1500 TL and below	240	32.40	22.12	.433
	1501 TL and over	236	34.01	22.59	

*10%, **5% and ***1% statistical significance.

In Table 8, the results of the comparison of the participants' Islamic financial literacy levels by income status are presented. The income ranges of the participants are not homogeneous. Therefore, the income ranges of the participants were made homogeneous by dividing them into 2 groups. As a result of the analysis, income status was found to have no significant effect on the Islamic financial literacy and its dimensions. Thus, it can be argued that there is no statistically significant difference between the Islamic financial literacy levels of the participants from different income statuses.

Table 9. Comparison of Islamic Financial Literacy Levels According to State of Being a Customer of an Islamic Bank

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
General Islamic Finance (Total)	Yes	133	39.45	23.49	.000***
	No	343	31.59	20.74	
<i>General Islamic Finance (Advanced)</i>	Yes	133	36.09	42.35	.378
	No	343	32.36	41.03	
<i>General Islamic Finance (Basic Level)</i>	Yes	133	39.90	23.41	.000***
	No	343	31.29	20.86	
Islamic Products (Total)	Yes	133	36.09	32.03	.000***
	No	343	25.30	27.17	
<i>Islamic Products (Advanced)</i>	Yes	133	33.33	35.47	.008***
	No	343	24.59	30.79	
<i>Islamic Products (Basic Level)</i>	Yes	133	38.45	31.41	.000***
	No	343	25.91	27.31	
Islamic Finance Calculations (Total)	Yes	133	33.94	31.78	.077*
	No	343	28.41	30.10	
<i>Islamic Finance Calculations (Advanced)</i>	Yes	133	32.33	39.50	.083*
	No	343	25.66	36.84	
<i>Islamic Finance Calculations (Basic Level)</i>	Yes	133	34.59	34.48	.135
	No	343	29.50	32.72	
Islamic Finance Institutions and Operations (Total)	Yes	133	41.88	28.87	.001***
	No	343	32.86	26.64	
<i>Islamic Finance Institutions and Operations (Advanced)</i>	Yes	133	37.89	35.95	.020**
	No	343	29.85	32.94	
<i>Islamic Finance Institutions and Operations (Basic Level)</i>	Yes	133	45.86	26.83	.000***
	No	343	35.86	26.41	
Islamic Financial Literacy (Total)	Yes	133	38.22	25.78	.000***
	No	343	29.67	22.47	
<i>Islamic Financial Literacy (Total Advanced)</i>	Yes	133	35.09	31.89	.012**
	No	343	27.52	28.54	
<i>Islamic Financial Literacy (Total Basic Level)</i>	Yes	133	39.69	24.11	.000***
	No	343	30.68	21.13	

*10%, **5% and ***1% statistical significance.

In Table 9, the results of the comparison of the participants' Islamic financial literacy levels by the state of being a client of an Islamic bank are presented. According to the results of the analysis, the scores taken from the dimensions of "General

Islamic Finance”, “Islamic Finance Institutions and Operations”, “Islamic Finance Calculations” and “Islamic Products” vary significantly depending on the state of being a client of an Islamic bank. In other words, the Islamic financial literacy level of the participants who are customers of an Islamic bank is higher than that of the participants who are not clients of an Islamic bank.

Table 10. Comparison of Islamic Financial Literacy Levels According to the Number of Islamic Banks Where the Participant Has an Account

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
General Islamic Finance (Total)	1 bank	78	42.23	23.02	.104
	2 and more	55	35.51	23.80	
<i>General Islamic Finance (Advanced)</i>	1 bank	78	34.62	41.33	.634
	2 and more	55	38.18	44.06	
<i>General Islamic Finance (Basic Level)</i>	1 bank	78	43.25	22.58	.049
	2 and more	55	35.15	23.95	
Islamic Products (Total)	1 bank	78	38.66	32.82	.272
	2 and more	55	32.45	30.79	
<i>Islamic Products (Advanced)</i>	1 bank	78	33.76	36.73	.869
	2 and more	55	32.73	33.94	
<i>Islamic Products (Basic Level)</i>	1 bank	78	42.86	32.23	.054
	2 and more	55	32.21	29.38	
Islamic Finance Calculations (Total)	1 bank	78	35.16	33.18	.599
	2 and more	55	32.21	29.89	
<i>Islamic Finance Calculations (Advanced)</i>	1 bank	78	35.90	41.01	.216
	2 and more	55	27.27	37.04	
<i>Islamic Finance Calculations (Basic Level)</i>	1 bank	78	34.87	35.81	.910
	2 and more	55	34.18	32.81	
Islamic Finance Institutions and Operations (Total)	1 bank	78	44.10	27.23	.292
	2 and more	55	38.73	31.03	
<i>Islamic Finance Institutions and Operations (Advanced)</i>	1 bank	78	41.54	35.42	.165
	2 and more	55	32.73	36.39	
<i>Islamic Finance Institutions and Operations (Basic Level)</i>	1 bank	78	46.67	25.52	.683
	2 and more	55	44.73	28.79	
Islamic Financial Literacy (Total)	1 bank	78	40.59	26.16	.208
	2 and more	55	34.86	25.08	
<i>Islamic Financial Literacy (Total Advanced)</i>	1 bank	78	36.75	32.41	.476
	2 and more	55	32.73	31.28	

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
<i>Islamic Financial Literacy (Total Basic Level)</i>	1 bank	78	42.39	24.42	.124
	2 and more	55	35.86	23.35	

*10%, **5% and ***1% statistical significance.

In Table 10, the results of the comparison of the participants' Islamic financial literacy levels according to the number of Islamic banks where the participant has an account are presented. As a result of the analysis, it was concluded that the scores of the participants having only one account in one Islamic bank taken from the dimensions of basic level "General Islamic Finance" and "Islamic Products" are higher than those of the participants having accounts in 2 or more Islamic banks. On the other hand, the literacy scores taken from the other dimensions of financial Islamic literacy were found to be not varying significantly depending on the number of the Islamic banks where the participant has an account. Thus, it can be argued that the number of the Islamic banks where the participant has an account did not create a significant effect on the total Islamic financial literacy.

Table 11. Comparison of Islamic Financial Literacy Levels Depending on the Length of Time during which the Participant Has Had an Account in an Islamic Bank

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
General Islamic Finance (Total)	Less than 3 years	80	40.74	20.78	.441
	More than 3 years	53	37.51	27.18	
<i>General Islamic Finance (Advanced)</i>	Less than 3 years	80	33.75	39.60	.436
	More than 3 years	53	39.62	46.37	
<i>General Islamic Finance (Basic Level)</i>	Less than 3 years	80	41.67	21.31	.287
	More than 3 years	53	37.23	26.26	
Islamic Products (Total)	Less than 3 years	80	38.27	31.23	.337
	More than 3 years	53	32.80	33.23	
<i>Islamic Products (Advanced)</i>	Less than 3 years	80	35.00	35.34	.508
	More than 3 years	53	30.82	35.86	
<i>Islamic Products (Basic Level)</i>	Less than 3 years	80	41.07	30.19	.239
	More than 3 years	53	34.50	33.08	

Islamic Financial Literacy Dimensions	Groups	F	Mean (%)	Std. Dev.	P
Islamic Finance Calculations (Total)	Less than 3 years	80	35.36	31.66	.530
	More than 3 years	53	31.81	32.14	
<i>Islamic Finance Calculations (Advanced)</i>	Less than 3 years	80	36.25	40.55	.161
	More than 3 years	53	26.42	37.47	
<i>Islamic Finance Calculations (Basic Level)</i>	Less than 3 years	80	35.00	34.20	.866
	More than 3 years	53	33.96	35.21	
Islamic Finance Institutions and Operations (Total)	Less than 3 years	80	41.75	26.80	.950
	More than 3 years	53	42.08	32.01	
<i>Islamic Finance Institutions and Operations (Advanced)</i>	Less than 3 years	80	39.00	35.99	.665
	More than 3 years	53	36.23	36.17	
<i>Islamic Finance Institutions and Operations (Basic Level)</i>	Less than 3 years	80	44.50	23.16	.473
	More than 3 years	53	47.92	31.71	
Islamic Financial Literacy (Total)	Less than 3 years	80	39.47	23.99	.494
	More than 3 years	53	36.33	28.41	
<i>Islamic Financial Literacy (Total Advanced)</i>	Less than 3 years	80	36.33	30.78	.582
	More than 3 years	53	33.21	33.70	
<i>Islamic Financial Literacy (Total Basic Level)</i>	Less than 3 years	80	40.94	22.28	.464
	More than 3 years	53	37.80	26.76	

*10%, **5% and ***1% statistical significance.

In Table 11, the results of the comparison of the participants' Islamic financial literacy levels depending on the length of time during which the participant has had an account in an Islamic bank are given. Participants' lengths of time during which they have had an in an Islamic bank are not homogeneous. Therefore, the lengths of time were made homogeneous by dividing them into 2 groups. According to the results of the analysis, the length of time during which the participant has had an account in an Islamic bank does not have any significant effect on the total Islamic financial literacy and its dimensions.

Table 12. Comparison of Islamic Financial Literacy Levels According to the Occupation of the Participants

Islamic Financial Literacy Dimension	Groups	F	Mean (%)	Std. Dev.	P
General Islamic Finance (Total)	Public Sector	72	36.11	24.75	.747
	Private Sector	108	37.91	19.89	
	Self-employed	32	39.34	17.13	
<i>General Islamic Finance (Advanced)</i>	Public Sector	72	34.72	44.12	.811
	Private Sector	108	37.04	43.43	
	Self-employed	32	40.63	41.03	
<i>General Islamic Finance (Basic Level)</i>	Public Sector	72	36.30	24.43	.791
	Private Sector	108	37.84	19.63	
	Self-employed	32	39.17	16.22	
Islamic Products (Total)	Public Sector	72	25.64	31.68	.076*
	Private Sector	108	34.05	29.17	
	Self-employed	32	37.98	24.32	
<i>Islamic Products (Advanced)</i>	Public Sector	72	24.07	34.13	.083*
	Private Sector	108	31.79	34.60	
	Self-employed	32	39.58	31.04	
<i>Islamic Products (Basic Level)</i>	Public Sector	72	26.98	31.59	.090*
	Private Sector	108	35.98	28.13	
	Self-employed	32	36.61	22.35	
Islamic Finance Calculations (Total)	Public Sector	72	24.60	30.25	.006***
	Private Sector	108	29.89	32.94	
	Self-employed	32	46.43	30.57	
<i>Islamic Finance Calculations (Advanced)</i>	Public Sector	72	22.22	36.47	.067*
	Private Sector	108	25.93	37.12	
	Self-employed	32	40.63	41.03	
<i>Islamic Finance Calculations (Basic Level)</i>	Public Sector	72	25.56	31.35	.007***
	Private Sector	108	31.48	36.19	
	Self-employed	32	48.75	32.90	
Islamic Finance Institutions and Operations (Total)	Public Sector	72	34.44	26.48	.622
	Private Sector	108	38.70	30.39	
	Self-employed	32	36.88	27.53	
<i>Islamic Finance Institutions and Operations (Advanced)</i>	Public Sector	72	31.11	33.38	.348
	Private Sector	108	37.04	35.32	
	Self-employed	32	28.75	31.29	

Islamic Financial Literacy Dimension	Groups	F	Mean (%)	Std. Dev.	P
<i>Islamic Finance Institutions and Operations (Basic Level)</i>	Public Sector	72	37.78	24.57	.486
	Private Sector	108	40.37	30.57	
	Self-employed	32	45.00	28.28	
Islamic Financial Literacy (Total)	Public Sector	72	31.15	26.00	.224
	Private Sector	108	35.78	24.30	
	Self-employed	32	39.49	19.23	
<i>Islamic Financial Literacy (Total Advanced)</i>	Public Sector	72	27.59	31.30	.328
	Private Sector	108	33.46	32.00	
	Self-employed	32	36.25	29.23	
<i>Islamic Financial Literacy (Total Basic Level)</i>	Public Sector	72	32.81	24.53	.195
	Private Sector	108	36.87	21.96	
	Self-employed	32	41.02	16.49	

*10%, **5% and ***1% statistical significance.

In Table 12, the results of the comparison of the participants' Islamic financial literacy levels by the sector of employment. According to the results of the analysis, the participants' literacy scores taken from the dimensions of "Islamic Products" and "Islamic Finance Calculations" vary significantly depending on the sector of employment. In this regard, the literacy scores taken from the dimensions of "Islamic Products" and "Islamic Finance Calculations" by the self-employed are higher than those of the public sector and private sector workers. On the other hand, the literacy scores taken from the dimensions of "General Islamic Finance" and "Islamic Finance Institutions and Operations" were found to be not varying significantly depending on the sector of employment.

5. Discussion And Results

Financial crises in recent years, the development of financial markets, and the complexity of banking products have contributed to increasing interest in financial literacy (Al-Tamimi and Kalli; 2009; Abdullah and Anderson, 2015). Low level of financial information causes erroneous financial decisions and this has negative effects on the financial structure of countries; as a result, importance of financial literacy has increased (Chen and Volpe, 1998; Atkinson and Messy, 2012; Ganesan, 2016). The development of Islamic finance and banking in the last two decades has led to increasing interest in Islamic financial products and Islamic banking and Islamic financial products have become an important alternative for both Muslims and non-Muslims (Chong and Liu, 2009, Setiawati et al., 2018). In this respect, Islamic financial literacy has gained importance in order to understand Islamic financial products and to make correct decisions in Islamic finance and banking practices within the framework of Islamic law (Ahmad and Haron, 2002). Islamic financial literacy is a very new topic and there is limited research on it (Rahim et al., 2016, Eliza and Susanti, 2020; Rozikin

and Sholekhah, 2020). With the current study, it was aimed to make contributions to limited Islamic finance literature in Turkey and help fill the void in the literature. In the current study, a questionnaire consisted of 47 items was administered to 476 people living in Turkey in the period between July and September 2020 and the items were gathered under four dimensions and used to measure the Islamic financial literacy levels of the participants.

As a result of the analyses, the total Islamic financial literacy of the participants was found to be 32.06% while the total basic level Islamic financial literacy was found to be 33.20% and the total advanced Islamic literacy was found to be 29.64%. The highest literacy level was found for the dimension of “Islamic Finance Institutions and Operations” (35.38%). The lowest literacy level was found for the dimension of “Islamic Products” (28.31%). When the Islamic financial literacy obtained in the current study was compared to the Islamic financial literacy found by Abdullah et al. (2017) as 47.36% and by Setyowati et al. (2018) as 65% and by Albaity and Rahman (2019) as 62% seems to be highly low. When the countries with higher Islamic financial literacy scores are analyzed, it is seen that they include countries such as Malaysia, Indonesia and the United Arab Emirates. These are the countries where Islamic finance and Islamic banking practices have been developed and thus, compared to Turkey, financial literacy is naturally more advanced in these countries. In this respect, given that the Islamic finance and banking practices are still in the development stage in Turkey, it is quite normal that Islamic literacy is also in the stage of development. Thus, Islamic financial literacy scores vary from country to country.

In the current study, first, the hypothesis that demographic variables have an effect on the level of Islamic financial literacy and then the hypothesis that being a customer of an Islamic bank has an effect on the level of Islamic financial literacy were developed. The demographic variables of the current study are gender, marital status, age, education level and income status. According to the results of the current study, the literacy scores taken from the dimensions of “Islamic Finance Calculations” and “Islamic Finance Institutions and Operations” vary significantly depending on gender. These findings seem to be in compliance with the literature. Chen and Volpe (1998) stated that gender has a decisive role in financial literacy while Abdullah et al. (2017) and Albaity and Rahman (2019) stated that it has an important influence on Islamic financial literacy. However, in the current study, the Islamic financial literacy level of the female participants was found to be higher than that of the male participants. This finding of the current study is different from the findings of the studies showing that the financial literacy level of men is higher than that of women (Chen and Volpe, 1998; Eser and Yiğiter; 2020). This might be because the gold and foreign currency are traditional means of investment in Turkey. Investment in gold is generally made by women in Turkey, and women tend to make more investment in institutions purchasing physical gold, which may explain this finding of the current study.

In the current study, it was concluded that marital status has a significant effect on the literacy scores taken from the dimensions of “General Islamic Financial Literacy” and “Islamic Finance Institutions and Operations”. When people get married, they

need to manage family budget, which may contribute to their having higher level of Islamic financial literacy than singles. The results related to age demographic variable in the current study have revealed that the Islamic financial literacy level of the participants aged 26 and over is higher. When the results related to the effect of the education level demographic variable are examined, it is seen that the Islamic financial literacy level of the participants who have high school or higher level of education is higher. The results obtained for the age and education level demographic variables in the current study concur with the literature (Chen and Volpe, 1998; Çömlekçi, 2017; Albaity and Rahman, 2019; Darakdah et al., 2020; Sapir and Ahmad, 2020; Suci and Hardi, 2020). With increasing age, individuals tend to develop higher awareness of saving and investing. Thus, with increasing age, individuals are expected to focus more on financial issues to make more correct decisions and to increase their financial literacy. The fact that Islamic banking is developing as an alternative in Turkey may give rise to the result that older people's Islamic financial literacy is increasing. In addition, the higher amount of young population in Turkey, the rapidly increasing number of universities in recent years and the classes offered in these universities on Islamic finance and banking increase the level of Islamic financial literacy among the participants who have high school education and higher level of education.

On the other hand, no relationship was found between income status and Islamic financial literacy level. In other words, income status is not effective on Islamic financial literacy level. When the results obtained in the current study are evaluated for Turkey, it can be said that people from each income status have accounts in Islamic banks and that income status does not lead to a significant difference on the level of Islamic financial literacy. These results related to the demographic variables support the first hypothesis of the study. Thus, it can be argued that the demographic variables are influential on the level of Islamic financial literacy.

In the current study, the state of having an account in an Islamic bank, the number of Islamic banks where the participant has an account and the length of time during which the participant has an account in an Islamic bank were also evaluated in terms of their relationship with the level of Islamic finance literacy. The results obtained have revealed that those who have an account in an Islamic bank have a higher level of Islamic financial literacy than those who do not. In addition, the number of Islamic banks where the participant has an account and the sector of employment were found to have effects on the level of Islamic financial literacy. These results support the results reported by Abdullah and Anderson (2015), Antara et al. (2016), Zaman et al. (2017). The length of time during which the participant has had an account in an Islamic bank was found to have an effect on the level of Islamic finance literacy. The customers of an Islamic bank conduct more Islamic banking transactions than those who are not customer of an Islamic bank and thus, their level of information about Islamic banking products and services is increasing. Hence, Islamic bank customers have higher Islamic financial literacy than non-Islamic bank customers. The results obtained in this context support the second hypothesis of the current study and it can be said that being a customer of an Islamic bank has an effect on Islamic financial literacy.

Another result of the current study is that the sector in which the participants work is effective on the level of Islamic financial literacy. According to the results of the current study, the self-employed people have a higher level of Islamic financial literacy compared to the public and private sector employees. This result is different from the results reported by Çömlekçi (2017) and Er and Mutlu (2017). According to Çömlekçi (2017), public sector employees and according to Er and Mutlu (2017) private sector employees have a higher level of Islamic financial literacy. The results obtained support the third hypothesis of the current study and thus, occupational groups can be said to have a significant effect on the level of Islamic financial literacy. In Turkey, it can be said that self-employed people work more with Islamic banks. Public employees make salary agreements in return for promotions in certain periods and these agreements are mostly made with conventional banks. In addition, the private sector has a tendency to work with conventional banks. Thus, the Islamic financial literacy level of self-employed people may be higher compared to the other two groups.

The results of the current study have both theoretical and administrative contributions. The obtained results are important as they offer important insights about Islamic financial literacy in Turkey. In addition, the results obtained from the research on Islamic banking can be capitalized on in many ways. In the current study, demographic variables have been proved to have effect on Islamic financial literacy. In this connection, the finding of the current study showing that the participants aged 26 or over have a higher level of Islamic financial literacy can help Islamic banks in determining their customer profile. In addition, as it has been revealed in the current study that self-employed people have a higher level of Islamic financial literacy, the introduction of new Islamic products and services can be first made to this group of customers. Thus, the results regarding especially demographic variables can help managers determine the new Islamic products and target markets.

The current study has some limitations. The main limitation of the study is that the results have been obtained within the context of Turkey and cannot be generalized. Differences such as different demographic structure, culture, economic and legal infrastructure may lead to different results in different environments. Yet, the results obtained in the current study may provide guidance for future research. Participants may have some prejudices about Islamic finance, Islamic banking and Islamic products but the great majority of the people living in Turkey are Muslim and therefore, it may be easier for people to understand and evaluate Islamic finance, Islamic banking and Islamic products that must be offered in compliance with Islamic law.

Future research to be conducted on Islamic finance can analyze different demographic variables. Larger samples can be used in future research. Similar studies to be conducted will contribute to the better understanding of the issue.

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