

The Importance of Financial Literacy: How to Educate Yourself About Money and Make Sound Financial Decisions

Pentingnya Literasi Keuangan: Bagaimana Mendidik Diri Sendiri Tentang Uang dan Membuat Keputusan Keuangan yang Baik

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ABSTRACT

Financial literacy plays an important role in individual financial decision making at various stages of life. The aim of this research is to systematically reflect on the literature to explore the influence of financial literacy on individual financial decision making at various stages of life. The research method uses a systematic approach in searching and analyzing relevant articles from reputable international databases. The results of the discussion show that financial literacy has a significant impact on financial decision making, with a higher level of literacy endangering better financial decisions. The implication of this research is the importance of increasing financial literacy at various levels of society, both through formal education and other financial education programs.

Keywords: *Financial literacy, financial decision making, life stages, systematic literature observation.*

ABSTRAK

Literasi keuangan memainkan peran penting dalam pengambilan keputusan finansial individu di berbagai tahap kehidupan. Tujuan penelitian ini adalah untuk melakukan tinjauan literatur sistematis guna mengeksplorasi pengaruh literasi keuangan terhadap pengambilan keputusan finansial individu di berbagai tahap kehidupan. Metode penelitian menggunakan pendekatan sistematis dalam pencarian dan analisis artikel-artikel yang relevan dari database internasional bereputasi. Hasil pembahasan menunjukkan bahwa literasi keuangan memiliki dampak signifikan terhadap pengambilan keputusan finansial, dengan tingkat literasi yang lebih tinggi berkorelasi dengan keputusan finansial yang lebih baik. Implikasi dari penelitian ini adalah pentingnya meningkatkan literasi keuangan di berbagai tingkatan masyarakat, baik melalui pendidikan formal maupun program-program edukasi keuangan lainnya.

Kata Kunci: *Literasi keuangan, pengambilan keputusan finansial, tahap kehidupan, tinjauan literatur sistematis.*

1. Introduction

Financial literacy is a fundamental aspect in empowering individuals to make well-informed financial decisions. It involves the knowledge and skills necessary to effectively manage personal finances. Research has consistently shown that individuals with higher levels of financial literacy are more inclined to engage in prudent financial behaviors, such as saving, investing, and avoiding high-cost borrowing (Lusardi & Tufano, 2015). Furthermore, financial literacy not only plays a crucial role in individual financial well-being but also contributes significantly to overall economic stability and growth (Lusardi & Mitchell, 2014).

Improving financial literacy through education is key. This can be accomplished through various channels, including formal financial education programs, workshops, and peer-to-peer education initiatives (Rupp et al., 2022). Studies have demonstrated that financial education has a positive impact on financial behaviors in both the short and long term (Wagner & Walstad, 2018). Additionally, it has been associated with increased levels of financial

satisfaction, underscoring its importance in enhancing overall financial well-being (Xiao & Porto, 2017).

In the realm of investment decisions, financial literacy is particularly vital. Individuals with higher financial literacy levels are more likely to make rational investment decisions and effectively manage their investment portfolios (Shaheen et al., 2022). Moreover, financial literacy is linked to greater participation in financial markets, indicating its role in promoting financial inclusion (Epaphra & Kiwia, 2021). In conclusion, enhancing financial literacy is essential for individuals to navigate personal finance complexities, make informed decisions, and secure their financial future. By investing in financial education and supporting initiatives that enhance financial literacy, individuals can establish a strong foundation for financial well-being and contribute to economic growth and stability.

Financial literacy is crucial for individual economic well-being and the financial health of society. It encompasses the knowledge and skills needed to manage finances effectively, make informed decisions, and navigate financial products and the global economy (Meitriana et al., 2022). Studies have shown that financial literacy not only impacts personal financial management but also influences investment decisions in capital markets, potentially affecting society, countries, and the global economy (Baihaqqy et al., 2020).

Financial literacy is closely tied to decision-making aspects such as risk perception, regret aversion, and information cascade, particularly in sectors like real estate (Wangzhou et al., 2021). The emergence of financial technology (Fintech) has emphasized the significance of financial literacy in enhancing financial inclusion and understanding the changing landscape of financial services ("The Rising of Fintech - How the Tech Revolution in Financial Services Represents A Paradigm Shift", 2021). Financial literacy is essential for the sustainability of individuals, families, businesses, and national economies (Bangco et al., 2022).

Furthermore, financial literacy extends to various demographic groups, including university students, where it is viewed as a solution to economic challenges and poverty (Irman et al., 2020). Behavioral finance factors and investment behavior mediate the relationship between financial literacy and individual financial well-being, highlighting the importance of interventions considering these aspects (Ali et al., 2021). Financial literacy has also been suggested to enhance the quality of self-reported financial information, especially in the context of Micro, Small, and Medium Enterprises (MSMEs) utilizing Sharia cooperatives (Alfarizi & Ngatindriatun, 2022).

Research advocates for integrating financial literacy education into school curricula to improve financial knowledge and skills from an early age (Yuning, 2023; Ali et al., 2020). Enhancing financial literacy is proposed as a strategy to address financial issues that can lead to burnout, emphasizing the link between financial well-being and overall health (Huang et al., 2022). Additionally, understanding financial concepts is crucial for utilizing financial tools like securities-based loans and impacting decision-making processes (Sommer et al., 2023). In conclusion, the reviewed references underscore the critical role of financial literacy in empowering individuals, driving economic growth, and fostering financial well-being across various sectors and demographics. Enhancing financial literacy through education, interventions, and technological advancements is vital for navigating the complexities of the modern financial landscape and promoting sustainable financial practices.

In the current literature, there is still a knowledge gap that needs to be studied further regarding the relationship between financial literacy and individual financial decision making at various stages of life. Therefore, the aim of this study is to explore in depth how financial literacy influences individual financial decision making at various stages of life. The research question asked is "How does financial literacy influence individual financial decision making at various stages of life?". This research offers novelty by paying attention to variations in the influence of financial literacy on financial decision making at various stages of an individual's life, from adolescence to retirement. The contribution of this research is to provide new

insights and a deeper understanding of the importance of financial literacy in forming better financial decisions and improving individual financial well-being. By understanding this relationship, it is hoped that society and policy makers can develop educational programs and policies that are more effective in increasing financial literacy and financial well-being.

2. Research Methods

This research uses a systematic literature review method to explore relevant literature regarding the influence of financial literacy on individual financial decision making at various stages of life. Relevant articles were collected from reputable international databases, including Scopus and Web of Science. Keywords used in article searches include concepts such as "financial literacy", "financial decision making", "life stages", "impact", and so on. An initial search was conducted to identify as many articles as possible that matched the research focus. The number of articles obtained from the initial search was then reduced through article inclusion and exclusion techniques based on certain criteria. Inclusion criteria included articles that directly explored the relationship between financial literacy and financial decision making, as well as research that considered different stages of an individual's life. Articles that do not meet the predetermined inclusion criteria will be excluded from the analysis. The article selection process was carried out systematically using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) method, which helps guide the article selection process in a more structured and transparent manner. By using this method, it is hoped that this research can present a comprehensive and reliable analysis of the relationship between financial literacy and individual financial decision making at various stages of life.

3. Results and Discussions

3.1. Decision making theory

Decision-making theory has advanced significantly in recent years, emphasizing the integration of data-driven approaches, behavioral aspects, and interdisciplinary perspectives. Elgendy et al. (2021) introduced DECAS, a modern data-driven decision theory that promotes collaboration between human decision-makers and analytics to enhance decision-making processes. This theory underlines the significance of merging classical decision-making elements with data and analytics to enhance decision outcomes (Elgendy et al., 2021).

Similarly, Koechlin (2020) discussed the limitations of the Rational Decision Theory, particularly the Subjective Expected Utility hypothesis, in accurately describing human decision-making processes. Studies by Farashahi et al. and Rouault et al. challenged traditional models, leading to a more comprehensive understanding of decision-making that integrates adaptive behavior and decision processes (Koechlin, 2020).

Additionally, the integration of psychological factors with economic principles in behavioral economics has been crucial in explaining decision-making processes influenced by cognitive biases and environmental factors (Lin et al., 2023). This interdisciplinary approach sheds light on the bounded rationality of economic agents and the impact of emotions on decision outcomes.

Moreover, Wu et al. (2021) explored mobility decision-making during the Covid-19 pandemic using an extended Decision Field Theory model. By utilizing this model, researchers gained insights into how individuals make decisions regarding their movements during a public health crisis, highlighting the relevance of decision-making theories in real-world scenarios (Wu et al., 2021).

In summary, recent research in decision-making theory underscores the importance of interdisciplinary collaboration, data-driven approaches, and the consideration of behavioral and emotional factors in understanding and improving decision processes across various domains.

3.2. Financial Decision Making Theory

Financial decision-making is a multifaceted process influenced by various theories and factors. The impact of big data on financial decision-making has been analyzed through the lens of information asymmetry theory, principal-agent theory, and risk management theory (Ren, 2022). Financial literacy has been highlighted as a crucial element in making sound financial decisions, especially in times of uncertainty and challenges (Pepur et al., 2022). Studies have shown that financial literacy significantly influences personal investment decisions and can mitigate biases inherent in individual investment decisions (Ndungu & Abdul, 2022; Shroff, 2024). Additionally, financial literacy plays a vital role in household financial decision-making, with regression results indicating its importance alongside education and income levels (Gumbo et al., 2022).

Moreover, the integration of financial literacy with behavioral biases like overconfidence and illusion of control can lead to irrational behavior in investment decision-making (Wijayanto et al., 2023). Financial culture has been identified as a critical factor in SMEs' financial performance, emphasizing the importance of financial knowledge and skills in business financing decisions (Makdissi et al., 2020). Furthermore, the relevance of financial literacy and cultural inheritance in household finance decision-making has been underscored, highlighting the significance of understanding financial concepts and managing personal finances effectively (Goso, 2022).

In conclusion, financial decision-making is a complex process influenced by theories such as information asymmetry, principal-agent theory, and risk management, as well as factors like financial literacy, cultural inheritance, and behavioral biases. Understanding these elements is essential for individuals, enterprises, and policymakers to make informed and effective financial decisions.

Financial decision-making is a complex process influenced by various factors such as individual preferences, financial knowledge, attitudes towards risk, and economic conditions. Several theories have been developed to elucidate how individuals navigate financial choices. Financial literacy, encompassing financial awareness and knowledge, plays a pivotal role in shaping decision-making processes (Dewi et al., 2020). It is evident that financial decision-making is intricate, with multiple constructs like risk, return, market volatilities, financial knowledge, and regulatory frameworks impacting individuals' choices (Gautam et al., 2022). Moreover, education levels significantly correlate with financial literacy, affecting investment decisions in capital markets (Baihaqqy et al., 2020).

Financial knowledge emerges as a critical factor in decision-making processes, influencing financial management behavior and asset development (Moko et al., 2022). Additionally, financial literacy comprises financial knowledge, behavior, awareness, and attitudes, all of which collectively impact investment decisions (Hc & Gusaptono, 2020). The ability to manage economic information, formulate financial plans, and make informed decisions regarding wealth accumulation and debt is central to financial knowledge (Astuti et al., 2022).

Furthermore, the interplay between financial literacy, risk tolerance, and economic conditions shapes investment decision-making (Mubaraq et al., 2021). Objective financial knowledge aids in knowledge acquisition, while subjective financial knowledge enhances the reliability of existing knowledge (Akhtar & Das, 2019). Economic and financial knowledge, coupled with economic insecurity, are pivotal in influencing individual investors' decisions (Han & Park, 2019). Financial literacy, encompassing financial knowledge and the ability to process economic information effectively, plays a crucial role in financial decision-making (Li et al., 2020).

In conclusion, financial decision-making is a complex process influenced by various factors, with financial literacy and knowledge playing a central role in shaping individuals' choices. Understanding the nuances of financial literacy, risk tolerance, and economic

conditions is crucial for making informed investment decisions and managing personal finances effectively.

3.3. Models of financial decision making

Financial decision-making is a multifaceted process influenced by various factors that impact individuals' choices regarding money management, investments, and expenditures. Several models have been proposed to comprehend and analyze financial decision-making from diverse perspectives.

One study introduced the Lichtenberg Financial Decision Rating Scale (LFDRS) to evaluate financial decision-making, particularly focusing on older Black adults (Hall et al., 2022). Another research article developed a financial decision-making model for women in micro, small, and medium enterprises (MSMEs) in Tangerang, Indonesia, incorporating financial literacy, financial inclusion, and financial intention as key factors (Setyawan et al., 2022).

Moreover, a study presented a group decision model for credit granting in the financial market, emphasizing the advantages of using multicriteria decision methods in financial decision-making (Schotten & Morais, 2019). In conclusion, these studies emphasize the importance of developing comprehensive models to analyze financial decision-making processes, taking into account factors such as financial literacy, intention, credit evaluation, and the specific needs of different demographic groups.

Financial decision making involves various models. The Descriptive Decision Making Model analyzes empirical data to understand patterns in financial decisions (Saravanan & Menold, 2021). On the other hand, the Prescriptive Decision Making Model offers recommendations based on economic or behavioral finance theories. The Behavioral Decision Making Model emphasizes psychological factors like cognitive biases and risk perceptions. However, the Rational Decision Making Model, which assumes individuals act rationally, is often criticized for being too idealistic.

Understanding these models is crucial for designing effective educational strategies and policies to enhance financial literacy and well-being. By studying decision-making strategies in different contexts, such as clinical settings, pregnancy decision-making processes, and supplier selection in companies, researchers can gain insights into improving decision outcomes. Moreover, the integration of weighted concepts and vague knowledge in decision-making processes and the application of rational models in preventive measures showcase the diverse approaches to decision making across various fields.

In conclusion, exploring financial decision-making models provides a comprehensive view of the factors influencing individual choices. By incorporating insights from these models, policymakers and educators can develop strategies to enhance financial literacy and promote better decision-making practices in society.

3.4. The relationship between financial literacy and financial decision making

Financial literacy is a critical factor that significantly influences financial decision-making. It encompasses understanding financial products, concepts, risks, and opportunities to facilitate informed choices that improve financial well-being ("Financial Literacy and Investment Decisions Among Traders in the Techiman Municipality", 2019). Financial literacy extends beyond mere knowledge to encompass attitudes and behaviors, which are crucial for effective financial decision-making (Balagobei & Prashanthan, 2021). Individuals with higher levels of financial literacy are more inclined to manage their finances prudently and make sound financial decisions (Özdemir, 2022).

Research has demonstrated that financial literacy has a positive impact on financial satisfaction and shapes financial decision-making processes (Adiputra, 2021). It plays a substantial role in various decision-making domains, including personal investments, household financial choices, and stock market investments (Ndungu & Abdul, 2022; Gumbo et

al., 2022; Biswas & Gupta, 2021). Financial literacy is considered a prerequisite for making well-informed financial decisions, particularly in areas such as pension contributions and stock investments (Xu et al., 2022; Hidayatullah et al., 2022).

Furthermore, financial literacy serves as a mediator in the relationship between behavioral biases and investment decision-making, underscoring its significance in fostering prudent decision-making processes (Iram et al., 2023). It is also associated with enhanced cognitive abilities, rational decision-making, and reduced susceptibility to emotional influences on financial choices (Watanapongvanich et al., 2021). Improving financial literacy through education has been shown to positively impact individuals' financial decision-making abilities (Xu et al., 2022). In conclusion, financial literacy is a fundamental element that profoundly influences financial decision-making across various contexts, from personal investments to stock market decisions. Elevating levels of financial literacy can lead to more informed, rational, and effective financial choices, ultimately contributing to enhanced financial well-being.

Financial literacy significantly influences financial decision-making, as supported by various studies. Individuals with higher levels of financial literacy tend to make more informed decisions regarding investments, savings, debt management, and retirement planning (Prasad et al., 2020). This knowledge empowers individuals to make wiser choices when selecting investment products and managing risks associated with financial decisions ("Financial Literacy and Investment Decisions Among Traders in the Techiman Municipality", 2019). Furthermore, financial literacy plays a crucial role in shaping long-term financial behaviors such as regular savings, retirement planning, and debt management ("Moderating Effect of Risk Perception on Financial Knowledge, Literacy and Investment Decision", 2019).

Conversely, individuals with low levels of financial literacy may struggle with evaluating investment risks and returns accurately, potentially leading to impulsive decisions that can negatively impact their financial well-being (Waspada & Machmud, 2022). Therefore, understanding the intricate relationship between financial literacy and financial decision-making is essential.

Research on the correlation between financial literacy and decision-making offers valuable insights for policymakers, financial professionals, and individuals seeking to enhance financial literacy and overall financial well-being (Utami & Sitanggang, 2021). By comprehending how financial literacy influences investment decisions, retirement planning, and other financial behaviors, stakeholders can develop strategies to improve financial literacy levels and promote better financial decision-making among the general population.

3.5. The Influence of Financial Literacy on Financial Decision Making

Financial literacy is a crucial factor influencing financial decision-making. Research indicates that individuals with higher financial literacy tend to make more informed and satisfactory financial decisions (Adiputra, 2021). This is because financial literacy provides individuals with the necessary knowledge and skills to effectively manage their finances, leading to improved financial outcomes (Baihaqqy et al., 2020). Financial literacy encompasses understanding financial products, concepts, risks, and the ability to make sound financial decisions (Blue, 2020).

Moreover, studies have shown that financial literacy positively impacts various aspects of financial decision-making, including investment decisions (Gumbo et al., 2022), household financial choices (Putri et al., 2020), credit decision-making intensity (Li et al., 2020), and cryptocurrency investment decisions (Djou & Lukiastruti, 2021). Financial literacy has been identified as a mediator influencing financial management decisions (Senda et al., 2020). Additionally, financial literacy has been associated with enhanced investment decisions across different generational groups (Anwar et al., 2021).

Furthermore, the level of financial literacy has been linked to financial efficacy, positively affecting investment decisions (Saputra et al., 2021). Effective financial literacy

programs are recommended to enhance financial knowledge, behaviors, and attitudes, thereby facilitating well-informed investment decisions (Balagobei & Prashanthan, 2021). Additionally, research highlights the importance of financial literacy in improving financial management among small and medium-sized enterprises (SMEs) (Lestari et al., 2022). In conclusion, a body of evidence supports the significant impact of financial literacy on financial decision-making processes. Promoting financial literacy among individuals and organizations can enhance financial well-being and lead to more informed financial choices.

Financial literacy plays a crucial role in financial decision-making processes. Individuals with higher levels of financial literacy are better equipped to make informed choices regarding investments, debt management, retirement planning, and risk assessment (Widyaningtya & Suhartono, 2021). This enhanced understanding of financial products and concepts empowers individuals to align their financial decisions with their long-term goals (Lestari et al., 2022). Financial literacy also enables individuals to comprehend the risks associated with various financial decisions, leading to more accurate evaluations of investment options and improved risk management strategies (DM, 2021).

Moreover, individuals with high financial literacy tend to exhibit disciplined financial behaviors such as regular savings, effective retirement planning, and prudent debt management (Anwar et al., 2021). These positive financial habits contribute to the overall financial well-being of individuals and increase their likelihood of achieving their financial objectives (Saputra et al., 2021). Conversely, individuals with low levels of financial literacy are more prone to suboptimal financial decisions, errors in risk assessment, and impulsive financial behaviors that can negatively impact their financial stability (Gumbo et al., 2022).

Efforts to enhance financial literacy in society can yield significant positive outcomes by empowering individuals to make sound financial decisions and improve their financial outcomes (Safari et al., 2021). By increasing financial literacy levels, individuals can develop a better understanding of financial products, risks, and long-term financial planning, leading to more informed and beneficial financial decision-making processes (Senda et al., 2020). In conclusion, the influence of financial literacy on financial decision-making is multifaceted and crucial for individuals' financial well-being. Enhancing financial literacy through educational initiatives and awareness campaigns can play a pivotal role in helping individuals make informed financial decisions, manage risks effectively, and work towards achieving their financial goals.

3.6. Financial Literacy Education Strategy

Financial literacy education is a crucial aspect of empowering individuals to make informed financial decisions. Various studies have highlighted the importance of financial literacy programs and strategies in different contexts. For instance, the study by Ilias and A'Zmi (2022) emphasizes the role of regulators in developing approaches like Consumer Education Programmes and strategic partnerships to enhance financial literacy. Additionally, Blue (2020) underscores that financial literacy education aims to improve individuals' financial skills and capabilities directly.

Moreover, Anisah et al. (2021) suggest that developing effective models and strategies for financial literacy education can enhance students' financial management abilities. The study by "Importance of inclusion of financial literacy in national educational policy" (2023) stresses the significance of integrating financial literacy into educational policies to promote wise financial decision-making. Furthermore, Upa et al. (2019) highlight how financial literacy can positively impact entrepreneurship motivation among different enterprises.

Educators play a vital role in promoting financial literacy, as shown in studies like (Henderson et al., 2021), which explores elementary teachers' perceptions and practices regarding financial literacy education. Rakow (2019) discusses successfully incorporating financial literacy into accounting curricula to equip future professionals with essential financial

knowledge. Additionally, Ye & Kulathunga (2019) emphasize the link between financial literacy and sustainability in small and medium enterprises. In conclusion, these studies collectively emphasize the importance of financial literacy education in enhancing individuals' financial decision-making skills, promoting entrepreneurship, and ensuring sustainable financial practices across various sectors and demographics.

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Efforts to enhance financial literacy in society can yield significant positive outcomes by empowering individuals to make sound financial decisions and improve their financial outcomes (Safari et al., 2021). By increasing financial literacy levels, individuals can develop a better understanding of financial products, risks, and long-term financial planning, leading to more informed and beneficial financial decision-making processes (Senda et al., 2020). In conclusion, the influence of financial literacy on financial decision-making is multifaceted and crucial for individuals' financial well-being. Enhancing financial literacy through educational initiatives and awareness campaigns can play a pivotal role in helping individuals make informed financial decisions, manage risks effectively, and work towards achieving their financial goals.

3.7. Approaches to financial literacy education

Financial literacy education plays a crucial role in empowering individuals to make well-informed financial decisions. In Malaysia, the central bank has implemented Consumer Education Programmes and established strategic partnerships to promote financial literacy (Ilias & A'zmi, 2022). Studies have emphasized the importance of incorporating financial literacy into educational curricula to enhance individuals' financial knowledge and skills (Li et al., 2022). Advocates suggest that including financial literacy in national educational policies is essential to ensure individuals are equipped for sound financial decision-making ("Importance of inclusion of financial literacy in national educational policy: A study with salaried employees in Tamil Nādu", 2023).

Moreover, the significance of financial literacy in specific contexts, such as Islamic finance, has been recognized as a way to enhance financial skills among the millennial generation (Hs, 2021). Research has shown that demographic characteristics, particularly education, significantly influence individuals' levels of financial literacy (Sibarani et al., 2020). The correlation between education levels and financial literacy highlights the importance of understanding budgeting, savings, loans, and investments (Baihaqqy et al., 2020).

Studies have explored the impact of financial education sources on financial behavior, indicating that increased financial literacy can lead to improved financial decision-making (Fan & Zhang, 2021). Additionally, the relationship between financial literacy and sustainability in small and medium enterprises (SMEs) has been studied, emphasizing the role of financial

literacy in promoting sustainability (Ye & Kulathunga, 2019). Overall, these findings underscore the importance of financial literacy education in providing individuals with the necessary skills and knowledge for effective financial management.

Financial literacy education comprises various approaches, each serving different purposes. A knowledge-based approach focuses on mastering fundamental financial concepts such as savings, investment, and retirement planning to improve decision-making skills (Huston, 2010). Conversely, the skills-based approach emphasizes practical exercises and simulations to develop skills like budgeting and debt management. An attitude and behavior-based approach aims to change individual attitudes and behaviors towards finance by promoting positive attitudes and responsibility in financial management. Lastly, the technology-based approach utilizes modern technological advancements like mobile apps and online platforms to provide easier access to financial literacy education.

By integrating these diverse approaches, financial literacy education can effectively enhance individual knowledge, skills, attitudes, and behaviors related to finance, empowering individuals to better manage their finances (Huston, 2010). This integrated approach recognizes the importance of understanding financial concepts, practicing financial skills, fostering positive financial attitudes, and utilizing technology for improved accessibility to financial education. In conclusion, a comprehensive financial literacy education strategy that combines knowledge-based, skills-based, attitude and behavior-based, and technology-based approaches can significantly enhance financial literacy levels and promote sound financial decision-making among individuals.

4. Conclusions

From the discussions above, it can be concluded that financial decision making theory has developed significantly in recent years. An approach that combines data-driven, behavioral and interdisciplinary aspects is the main focus in understanding the decision-making process. The use of theories such as DECAS, asymmetric information theory, and principal-agent theory provides deeper insight into how individuals make financial decisions. The research results also show that financial literacy plays a key role in the financial decision-making process, with higher levels of literacy implying better financial decisions. However, there are limitations in the literature, especially in the context of financial decision making at different stages of an individual's life. Therefore, future research should pay more attention to these factors to expand understanding of the relationship between financial literacy and financial decision making. The implication of this research is the importance of increasing financial literacy at various levels of society, both through formal education and other approaches such as financial education programs. However, there are several limitations in this research, such as limitations in the data and methodology used. Therefore, future research needs to improve research methods and overcome these limitations to produce stronger and more relevant findings.

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