THE IMPACT OF FINANCIAL LITERACY ON INVESTMENT DECISIONS AMONG THE HOUSEHOLDS IN GAMPAHA DISTRICT

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ABSTRACT

Financial literacy is an essential skill for people in today's complex financial environment, which is full of complex banking products, a wide range of investment options, and constantly changing economic conditions. Different people have different levels of financial literacy, which results in a range of decision-making outcomes. Sufficient financial literacy enables people to confidently handle risk, make well-informed investment decisions, and efficiently manage their expenditures. The objective of this study is to examine the impact of financial literacy on investment decisions among households in Gampaha district. A detailed literature review was used to identify the determinants of financial literacy. The researcher used a structured questionnaire to collect data from households in Gampaha district. The researcher used the convenience sampling method to collect data from 384 households in Gampaha district. Financial literacy consists of four dimensions: financial knowledge, financial skills, financial behavior, and financial attitude, whereas investment decisions are measured by including neutral information, advocate recommendations, accounting information, and personal financial needs. The data was analyzed using reliability tests, descriptive analysis, and multiple regression analysis. The researcher used regression analysis to examine the hypothesis. The coefficient of regression analysis showed that there is a significant impact of financial knowledge, financial skill, and financial behavior on investment decisions. However, there has been no significant impact of financial attitudes on investment decisions. The findings of this study are also useful for investors, policymakers, financial institutions, etc. The study highlights that improving financial knowledge helps households make better investments and suggests that financial advisors should consider their clients' literacy levels for more effective guidance. Financial institutions can use these findings to identify gaps and create literacy programs to enhance financial decision-making. Additionally, educators can incorporate these insights to improve curricula, equipping students with the skills to navigate the financial world, thereby contributing to overall financial stability and well-being.

Keywords: Financial Literacy, Households, Investment Decisions

1. INTRODUCTION

1.1 Background of the Study

In today's world, financial scenarios are becoming increasingly complex, and as a result, financial literacy is an essential skill for every individual. Financial literacy creates a road map for understanding how to manage income and expenses, investments, risk effectively and efficiently and most importantly to reduce financial distress. Financial literacy incorporates understanding everyday situations that need to be understood, such as savings, borrowings, credit and insurance (Singh & Raj Kumar, 2017), (Roy & Jain, 2018). Financial literacy is essential for people to make better financial and investment decisions. De Silva,Vieira and Potrich (2016) revealed that financial literacy influences wise investing decisions and benefits businesses and nations' growth.

According to Musundi (2014), the investment decision is an understanding of alternative options, opportunities for investing, securities for investing, and knowledge of the benefit that arises from investment. Making an investment decision is extremely important and differs from individual to individual. For example, how much money is spent on acquisitions, what kind of investments are required, when and where investments are made, etc. People invest for the long term for their retirement and their children's education, and they invest for the short term for vacations, education, emergencies, house loans, and other things. Therefore, the individual needs to be aware of and knowledgeable about the terms of borrowing and investing.

When an individual has knowledge and understanding of financial products and concepts, money matters reflect sound financial decision-making capacity and impacts the ability to make the right decision at the right time (Rooij, et al., 2011). Lack of financial literacy leads to poor investment decisions. It affects household economic factors and unexpected financial problems. According to Burnheim (1996), the majority of households in a given situation needed help to perform simple calculations due to their lack of financial knowledge and most of their savings were based on the error method. It means, most households do not follow a systematic or informed financial strategy. Instead, they rely on experimentation, adjusting their savings methods based on the outcomes of their previous attempts.

According to the previous studies, most of researchers concluded that the impact of financial literacy on investment decisions couldn't be neglected. Research on the "Impact of Financial Literacy on investment decisions among households" is uncommon in Sri Lanka. This study investigates the impact of financial literacy on investment decisions among households in Gampaha District, Sri Lanka and using a convenience sample, 384 households have been selected. Moreover, this study focuses on four dimensions of financial knowledge, skills, attitudes, and behavior and how they impact investment decisions.

A deeper exploration into the financial literacy of Gampaha households is essential for several reasons. Firstly, the district's population density and

economic activities make it a significant contributor to the national economy. However, existing studies often overlook the nuanced financial behaviors and decision-making processes within this region. Secondly, Sri Lanka's evolving economic environment, characterized by rapid changes in financial markets, inflation rates, and employment patterns, necessitates a more informed and literate populace to navigate these complexities effectively.

1.2 Problem statement

The problem addressed in the study is that it considers the impact of financial literacy on household investment decisions. Studies have shown that households in developing economies lack a basic understanding of finances and are less interested in investing (Awasi, et al., (2016). People are earning money, but some of them find it difficult to manage it well. It depends on their financial literacy levels. The majority of people choose to invest for future goals, and depending on their financial knowledge, some decide to do so in savings accounts, stock market investments, pension plans, etc. According to Burnheim (1996) most households are in a situation where they cannot perform simple calculations due to lack of basic knowledge. So, they have faced difficulties. As a result of the previous studies, researchers understand of how financial products behave; households with a high level of financial literacy have a higher likelihood of making wise investment choices.

Many researchers have addressed the impact of financial literacy on investment decisions in different ways around the world. Sri Lanka hasn't given this topic much attention even though there is a dearth of research being done in this field worldwide. In Sri Lanka, research on this area is uncommon, and for this investigation, a sample was selected from the Gampaha district. There are a large number of households compared to other districts (647,101 according to the Department of Census and Statistics), and they all have different levels of financial knowledge, skills, attitudes, and behaviors. Based on that, they make different investment decisions. In recent years, households have been responsible for managing money, including investment decisions. However, there is a growing concern that a significant number of households may lack the necessary financial literacy to make an effective investment decision. In this study, the researcher hopes to investigate how financial literacy affects investment decisions among households in the Gampaha district, using the four dimensions of financial knowledge, skills, attitudes, and behavior.

This study is important because it examines how financial literacy impacts household investment decisions, especially in the Gampaha district. The findings of this study have important implications for professionals in a variety of fields, including financial advisors, educators, legislators, and financial institutions. The study's findings about the relationship between investing decisions and financial literacy provide financial advisors with a useful tool for giving clients more informed and effective advice. These findings can be used by educators to create focused programs that will increase household decision-making and financial

literacy. Given with the research findings, policymakers can create more targeted financial programs that specifically address issues found in the Gampaha district. Additionally, financial institutions can customize products that are more user-friendly and in accordance with the different levels of financial literacy among their customers by using the research findings.

The research aims to explore the impact of various aspects of financial literacy on investment decisions. Specifically, it seeks to understand how financial knowledge, skills, attitudes, and behaviors influence investment choices. The research questions address these factors individually, asking how each aspect affects investment decisions. Correspondingly, the research objectives are to examine the impacts of financial knowledge, skills, attitudes, and behaviors on investment decisions. Through this investigation, the study aims to provide comprehensive insights into the multifaceted role of financial literacy in shaping effective investment decisions.

2. LITERATURE REVIEW

2.1 Theoretical Review

Planned Behavior Theory

Theory of Planned Behavior (TPB) means it is possible to anticipate an individual's intent of engaging in a behavior at a given place and time. It contends that behavior intentions, which are a function of three determinants, including a person's perspective on behavior, their perception of behavioral control, and their subjective standards behavior determine individual behavior (Ajzen, 1991). Theory explains that individual behavior is influenced by three key factors: attitude, subjective norm, and perceived behavioral control. Attitude represents the individual's emotional position towards a behavior and significantly impacts the likelihood of engagement. The subjective norm involves the perceived social pressure or influence from close contacts regarding the behavior. Perceived behavioral control relates to the ease or difficulty of carrying out the behavior, considering personal capabilities and external factors. These factors collectively shape the decision-making process, even if they are not always consciously acknowledged. This theory is important for understanding how human financial behavior impacts investment choices. It provides valuable insights into the role of attitudes, social expectations, and perceived control in influencing individual actions.

Expected utility theory

Expected Utility Theory (EUT) is a decision-making model used in situations with uncertain outcomes, where individuals evaluate options based on the expected utility values. Utility is a subjective measure of results satisfaction. Asiri

and Marwan (2013) observe EUT as an example of rational behavior determined by particular principles, emphasizing the normative aspect of rationality in personal preferences. People typically select courses of action that maximize expected utility, which is determined by adding the probabilities and expected utility of possible outcomes. Individual preferences, outside factors, and risk aversion all play a part in decision-making. This theory, which examines rational decision-making based on expected utility and provides insights into investor preferences and choices, is essential for understanding how human financial behavior affects investment choices (Kristanto et al., 2020).

Prospect theory

In 1979, the Prospect Theory was developed by Kahneman and Tversky, challenges classical rational economic decision-making by highlighting how individuals prioritize perceived gains over losses. People have different psychological values associated with prevails and losses; they feel more distress about possible losses than they do satisfaction about equivalent gains. According to this theory, the psychological cost of losing a dollar is roughly twice that of winning one. According to Arianti (2018), investors show risk-seeking behavior in potential losses and risk aversion in potential gains. Prospect Theory clarifies how people make decisions when faced with risk and uncertainty. This theory contributes to studying how investors make decisions by explaining their attitudes and behaviors in response to potential gains and losses.

2.2 Empirical review

Financial knowledge and investment decisions

According to Lusardi and Tufano (2008), in order to make decisions regarding savings and investments, a person must have financial knowledge of finance and related concepts. According to Lusardi and Mitchell (2007), household consumers' awareness of finance is based on their capacity to obtain, analyze, and project data on inflation, risk diversification, compound interest, and all other types of financial assets. It is also noted that knowledge about financial investment options is also identified as a significant determinant of financial literacy and investing decisions among undergraduates (Kumari, 2020). Some studies argued that all people with good financial knowledge make better investment decisions (Shahnaz, et al., 2012). It is concluded that there is a need to improve financial knowledge in order to make sound financial decisions (Singh & Raj Kumar, 2017). A household's savings habits and investment decisions have been found to be based on the fundamental rule of thumb in those who lack basic financial knowledge (Musundi, 2014).

Financial skills and investment decisions

According to Kumari (2020) financial skills mean the ability to use the knowledge of financial services implied in financial literacy, and it is concluded that financial skills can be considered as a main determinant of financial literacy to enhance undergraduates' investment decisions. Young people have a basic understanding of finance, and they lack the fundamental skills needed to create and maintain a budget, understand credit, understand investment vehicles, or take advantage of the banking system (Lusardi, 2019), (Singh & Raj Kumar, 2017). According to Singh and Raj Kumar (2017) in order to make better financial decisions, a person should have financial knowledge as well as financial skills. According to Walkumbura (2021), decisions made regarding investments are significantly influenced by one's financial skills.

Financial attitudes and investment decisions

Financial attitude is a key factor in the investment decision- making process, which consists of individual opinions, beliefs and perceptions in planning and propensity towards their saving, investment and expenditure. There is a positive relationship between the financial attitude and investment decisions (Balagobei & Prashanthan, 2021). Financial well-being is also greatly influenced by financial attitude. Ibrahim and Alqaydi (2013) examined the effect of financial attitudes on investment in the United Arab Emirates. The results show that there is an improvement in personal financial attitudes and they tend to borrow less from credit cards. Financial attitude refers to that state of mind or opinion and judgment about one's finances reflecting a position one has taken (Pankow, 2012). For example, one family member may place a high value on a child's education and, therefore, prefer financial investments in their education over other types of investments.

Financial behavior and investment decisions

Brown and Graf (2013) revealed that there is an influence on financial behavior and household investment in Switzerland. Shahnaz et al. (2012) concluded that aggregate saving behavior is a prerequisite for making investment decisions. Financial situation and well-being of investors are affected by some type of financial behavior such as selecting the financial products without researching the market, not planning for the future expenditures or delaying bill payments (Balagobei & Prashanthan, 2021). Financial actions and behaviors of individuals may reflect their characteristics, systematically influence individual investment decisions and ultimately shape their financial situations and well-being in both the short and longer-term (Mandell & Klein, 2009).

2.3 Research Gap

Prior research indicates that financial knowledge, skills, attitudes, behaviors, and investment decisions are positively correlated, implying that more financial literacy is associated with beneficial investment decisions. Not all research, though, supports this theory. While Musundi (2014) suggested that investor behavior and attitude have a limited influence on such decisions, Walkumbura (2021) found that financial attitude has no impact on investment decisions. . In addition to that, in some studies, researchers discovered that a lower level of financial literacy had a much lower impact on investment decisions, and a higher level of financial literacy had a much greater impact on investment decisions. Therefore, the purpose of this study is to determine whether or not financial knowledge, skills, attitudes, and behaviors have a significant impact on investment decisions made by households in the Gampaha District.

3. METHODOLOGY

For this study, the researcher used a positivistic approach to understand the phenomenon that they were studying. As well as deductive approach was applied in this study. A deductive approach means using quantitative methods in research. This study develops a hypothesis and makes an effort to validate the information using the scientific method, experiments, and mathematical proof.

The researcher used the primary data for this study and the data collected through a structured questionnaire. As for the strategy of this research, structured questionnaires will be used, which is a quantitative strategy. The questionnaire consists of three parts. The first part is concerned with data about demographic factors, and the second and third collect data on financial literacy and investment decisions. A positivistic approach was applied in this study. The target population of this study is households in the Gampaha district, which is 647,101 (Department of Census and Statistics). Because Exploring Gampaha district's financial literacy is crucial due to its economic impact and the need for informed decision-making in Sri Lanka's changing economy. The study selected 384 households as the sample according to the Morgan table. The researcher used the convenience sample to select the sample. Then, the researcher distributed the questionnaires, and 384 responses were collected, and the participants' replies will be used as the significant data source for this study. A five-point Likert scale was used to base those questions. The Likert scale is from strongly agree to strongly disagree. SPSS version 26 analyzed the processed data to measure means, standard deviations, reliability and regression equations to test the variables and their relationships to test the hypotheses.

To investigate the factors influencing investment decisions, we employed a multiple regression analysis. The dependent variable, Investment Decisions (ID),

was regressed on four independent variables: Financial Knowledge (FK), Financial Skills (FS), Financial Attitudes (FA), and Financial Behavior (FB). The regression model is specified as follows:

$ID = \beta 0 + \beta 1FK + \beta 2FS + \beta 3FA + \beta 4FB + ei$……..(1)

3.1 Operationalization of variables

Table 1 depicts the operationalization of variables.

Table 1: Operationalization of Variables

Variables	Indicator
Financial Knowledge	Knowledge of financial return
	Knowledge of financial risk
	Knowledge of key features of financial products/ services
	Knowledge of interest calculation
	Knowledge of simple financial terms
	Prepare the personal budgets
Financial Skills	Determine the benefits from financial dealings
	Determine the cost from financial dealings
	Evaluate the financial products/ services
	Ability to decide what financial services to choose
	Attitude toward saving money
Financial Attitude	Attitude toward spending money
	Attitude toward managing money
	Spending money
	Easy to save money
	Active savings
Financial Behavior	Active spending
	Financial planning
	Read the terms & conditions of financial products
	Select the financial products suits for the needs
	Information obtained from internet

Investment Decisions	Advocate Information
	Current Economic Indicators
	Impact of Income
	Past performance of firm's stocks

Source: Authors Constructed

3.2 Conceptual Framework

Figure 1 depicts the conceptual framework.

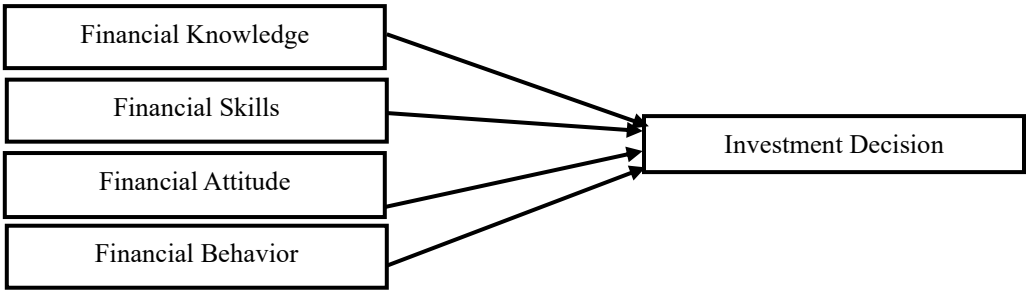

Figure 1: Conceptual Framework
Source: Authors Constructed

3.3 Hypothesis

H1: There is a significant impact of financial knowledge on investment decisions.

H2: There is a significant impact of financial skills on investment decisions.

H3: There is a significant impact of financial attitude on investment decisions.

H4: There is a significant impact of financial behavior on investment decisions.

4. FINDINGS AND DISCUSSION

4.1 Findings

Demographic Analysis

Table 2 shows the ages of household heads. The largest group is aged 46–55, making up 29.2% of the total. The next largest group, 26–35, accounts for 24%. The smallest groups are those aged 18–25 and over 55, each making up 13.5% of the population.

Table 2: Age of household heads

Age	Percent
18-25	13.5
26-35	24.0
36-45	19.8
46-55	29.2
Over 55	13.5

Source: Survey data

Table 3 shows the education levels of household heads. The largest group, 37%, has a G.C.E. A/L education. Graduates make up 29.4%. Those with G.C.E. O/L are 16.1%, and 11.2% are undergraduates. The smallest group, 6.3%, has a PhD or Master's degree.

Table 3: Education level of household heads

Education Level	Percent
G.C.E O/L	16.1
G.C.E A/L	37.0
Undergraduate	11.2
Graduate	29.4
PHD/ Master	6.3

Source: Survey data

Table 4 shows household monthly income distribution. The largest group, 41.7%, earns below Rs.99,999. About 30.2% earn Rs.100,000–199,999, and 16.7% earn Rs.200,000–299,999. Smaller groups earn Rs.300,000–399,999 (6.5%) and above Rs.400,000 (4.9%).

Table 4: Monthly income of households

Monthly Income	Percent
Below Rs.99,999	41.7
Rs.100,000- 199,999	30.2
Rs.200,000- 299,999	16.7
Rs.300,000- 399,999	6.5
Above Rs.400,000	4.9

Source: Survey data

Table 5 shows household monthly savings. The largest group, 33.3%, saves below Rs. 9,999. About 25.5% save Rs. 10,000–19,999. Smaller groups save

Rs. 20,000–29,999 (13.3%) and Rs. 30,000–39,999 (13.5%). Lastly, 14.3% save above Rs. 40,000.

Table 5: Monthly income of households

Monthly Savings	Percent
Below Rs.9,999	33.3
Rs.10,000- 19,999	25.5
Rs.20,000- 29,999	13.3
Rs.30,000- 39,999	13.5
Above Rs.40,000	14.3

Source: Survey data

Table 6 shows where respondents live among various divisional secretariats. The highest number, 17.2%, are from Gampaha. Mirigama and Wattala also have notable numbers, with 14.8% and 7.3% respectively. Understanding this geographic distribution helps ensure the study's findings represent the entire area under study.

Table 6: Divisional Secretaries

Divisional Secretaries	Percent
Attanagalla	5.2
Biyagama	7.0
Divulapitiya	6.3
Dompe	6.3
Ja-Ela	7.3
Gampaha	17.2
Katana	3.6
Kelaniya	6.8
Mahara	6.3
Minuwangoda	5.2
Mirigama	14.8
Negambo	6.8
Wattala	7.3

Source: Survey data

Reliability test

Table 7 illustrates that Cronbach's alpha value is higher than 0.7. It indicates that all variables exhibit strong internal consistency, and the questionnaire can be considered reliable.

Table 7: Reliability test

Variable	Cronbach's Alpha
Financial Knowledge	0.774
Financial Skills	0.761
Financial Attitudes	0.759
Financial Behavior	0.786
Investment decisions	0.765

Source: Survey data

Descriptive analysis

As per the Table 8, the descriptive statistics for several variables related to financial literacy and behavior. Each variable is assessed on a scale from 1 to 5, and the table includes the minimum and maximum values observed, the mean value, and the standard deviation for each variable. The maximum and the minimum value for the financial knowledge is 5 and 1 respectively. Its mean value is 3.90 and it can change either negatively or positively by 0.61078. The maximum and the minimum value for the financial skills is 5 and 1 respectively. Its mean value is 3.8547 and it can change either negatively or positively by 0.61303. The maximum and the minimum value for the financial attitude is 5 and 1, respectively. Its mean value is 3.0427 and it can change either negatively or positively by 0.65521. The maximum and the minimum value for the financial behavior 5 and 1, respectively. Its mean value is 3.9427 and it can change either negatively or positively by 0.66909. The maximum and the minimum value for the investment decision is 5 and 1, respectively. Its mean value is 3.8526 and it can change either negatively or positively by 0.66783.

Table 8: Descriptive statistics

Variable	Minimum	Maximum	Mean	Std. Deviation
Financial Knowledge	1	5	3.9000	0.61078
Financial Skills	1	5	3.8547	0.61303
Financial Attitudes	1	5	4.0427	0.65521
Financial Behavior	1	5	3.9427	0.66909
Investment decisions	1	5	3.8526	0.66783

Source: Survey data

Regression analysis

Table 9 shows that p value between financial literacy and investment decisions is 0.000. It indicates financial literacy significantly impacts investment decisions at 95% confidence level. There is a high F value, and it indicates this regression model is most applicable to this study.

Table 9: Regression output of financial literacy & investment decisions

	Sum of Squares	df	Mean Square	F	Sig
Regression	91.017	4	22.754	108.068	.000[b]
Residual	79.800	379	0.211		
Total	170.817	383			

Source: Survey data

The significant value is shown from the p-value. According to Table 10, the p-value of financial knowledge, financial skills and financial behavior is 0.000. It proves that there is a significant impact of financial knowledge, financial skills and financial behavior on investment decisions. However, the P value of the financial attitudes is 0.885. It indicates financial attitude did not significantly impact investment decisions.

Table 10: Regression Output

Predictor	Coefficient	P value
Constant	0.454	0.007
Financial Knowledge	0.285	0.000
Financial Skills	0.273	0.000
Financial Attitudes	0.009	0.885
Financial Behavior	0.304	0.000

Source: Survey data

According to the regression analysis output, the researcher builds the following regression model.

$$ID = \beta 0 + \beta 1FK + \beta 2FS + \beta 3FA + \beta 4FB + ei \ldots\ldots\ldots\ldots\ldots\ldots\ldots (2)$$

$$ID = 0.454 + 0.285FK + 0.273FS + 0.009FA + 0.304FB + ei \ldots\ldots\ldots (3)$$

This model predicts that investment choices change by 0.285 units for every unit of financial knowledge that is changed. Investment choices were affected by 0.273 units for every unit change in financial skill. Investment choices changed by 0.009 in addition to the 1-unit change in financial attitudes. Financial actions changed by 1 unit, and investment choices changed by 0.0304.

Hypothesis Testing

According to the above analysis, there can be accept the following hypothesis. There is a significant impact of financial knowledge on investment decisions because the P value is 0.000. So, H1 can be accepted and H0 is rejected. Financial skill significantly impacts investment decisions because the P value is 0.000. So H2 can be accepted H0 can be rejected. Financial attitude does not significantly impact investment decisions because the P value is 0.885. So, H3 can be rejected H0 can be accepted. Financial behavior has a significant impact on investment

decisions because the P value is 0.000. So, H4 can be accepted and H0 can be rejected.

4.2 Discussion

The results of this study demonstrate a significant impact of financial knowledge, skills, and behavior on investment decisions. The analysis shows that financial knowledge has a significant influence on investment decisions, as indicated by a P value of 0.000, leading to the acceptance of hypothesis H1 and the rejection of H0. This finding is consistent with previous studies by Rooji et al. (2011), Mandell, (2008), and Lusardi and Mitchell, (2007), which also reported a significant impact of financial literacy on investment decisions. Furthermore, studies by Balagobei & Prashanthan (2021), Walkumbura (2021), and Alaaraj & Bakri (2020) support the significant effect of financial knowledge on investment decisions.

Similarly, financial skills significantly impact investment decisions, with a P value of 0.000, resulting in the acceptance of hypothesis H2 and the rejection of H0. This conclusion aligns with the findings of Kumari (2020), Walkumbura, (2021), and Singh & Raj Kumar, (2017), who also identified a significant relationship between financial skills and investment decisions. Financial behavior is another factor that significantly influences investment decisions, as evidenced by a “p” value of 0.000, leading to the acceptance of hypothesis H4 and the rejection of H0. Previous research by, Alaaraj and Bakri, (2020), Balagobei and Prashanthan, (2021), and Kristanto, et al., (2020) corroborates the significant impact of financial behavior on investment decisions.

However, financial attitude does not appear to significantly impact investment decisions, with a P value of 0.885. Therefore, hypothesis H3 is rejected and H0 is accepted. This finding is in line with the studies by Walkumbura (2021) and Musundi (2014), who also found no significant impact of financial attitudes on investment decisions.

5. CONCLUSION

The researcher conducted the reliability test, descriptive analysis and regression analysis to analyze the data. The reliability test found that variables such as financial knowledge, financial skills, financial attitudes, and financial and investment decisions had high levels of internal consistency, with Cronbach's alpha values exceeding 0.7. The descriptive analysis made comprehending the dataset's main characteristics easier. The impact of financial literacy on investment decisions was examined using the multiple linear regression model. The findings showed that financial literacy significantly impacts investment choices, with financial knowledge, skills, and behavior have a significant

influence. Surprisingly, financial attitudes did not significantly influence household investment decisions in the Gampaha district.

Financial literacy has profound implications for policymakers, investors, financial professionals, and institutions alike. Research consistently shows that individuals with strong financial literacy tend to make fewer investment errors and achieve higher returns. This study underscores the importance of enhancing financial literacy and decision-making capabilities within households. Financial advisors can better tailor their advice by considering their clients' levels of financial literacy. Financial institutions can use these insights to identify gaps in financial knowledge and develop programs aimed at improving it, thereby enhancing investment decisions. Local initiatives can also benefit from this research, fostering economic security and well-being through targeted financial literacy efforts. Educators, too, can refine their curricula to equip students with the skills needed to navigate today's complex financial landscape effectively. In summary, stakeholders across sectors stand to gain valuable insights from this study.

In this study, several limitations were faced. First, using occupant perceptions to gather data raised questions about accuracy because occupants might give false information, which could lead to incorrect conclusions. Furthermore, it wasn't easy to meet project deadlines because it took a long time to collect data from residents, each of whom had their own responsibilities. Finally, the duration of the research process was impacted by factors like funding limitations.

The study gives useful information, but the sample size was small, covering only part of the 384 households in the Gampaha district. Future research should include more households and ensure representation from various areas within the district, as each area may have different financial behaviors and investment preferences. It is also important to explore how culture affects financial behavior. Additionally, the study found no significant link between financial attitudes and investment decisions, suggesting that more research is needed to find other factors that may influence investment decisions.

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