The Impact of Mobile Applications Developed in Finance on Financial Literacy

Özel SEBETÇİ
Adnan Menderes University
Aydın Vocational School
Aydın, Turkey
orcid.org/0000-0002-2996-0270
osebetci@adu.edu.tr

Can KARABIYIK
Manisa Celal Bayar University
Faculty of Economics and Administrative Sciences, Manisa, Turkey
orcid.org/0000-0002-7255-7946
c_karabiyik@hotmail.com

Büşra KUTLU KARABIYIK
Adnan Menderes University
Söke Faculty of Business Management
Aydın, Turkey
orcid.org/0000-0002-6691-2921
busra.kutlu@hotmail.com

Extensive Summary

Introduction

Financial literacy is defined as set of knowledge and skills necessary for people to financially secure themselves and to behave actively in the market of financial products and services. Financial literacy plays an important role on supporting financial stability as well as understanding of developed financial inclusion and financial welfare of people. In addition to that one way of develop capital markets, especially for developing countries such as Turkey where capital markets are not well-developed, is financial inclusion, consequently financial literacy. In a nutshell economic development which meant accessing of high living standards of a country is dependent on a powerful economy in company with a stable financial system and financial literacy matter to achieve this goal. In this context, financial literacy development policies are approved as the highest priority global policies by G20 and OECD countries whose one of the member is Turkey. On the other hand, access and usage of mobile devices has dramatically increased for the past decade and as a consequence of this evolvement some new opportunities has arisen by easing access to information and connection. This research has the aim of investigate whether mobile applications that developed on the fields of financial markets and financial literacy affects by directing internet usage and help individuals to become more effective financial actors.
Data and Methods

In this research, students from economics, business management, accounting, finance and similar departments of Adnan Menderes University are selected as sample. In this study, it is aimed to evaluate the impact of the mobile applications on students’ financial literacy skills. For this purpose a questionnaire namely “FinAccess Household Survey” which is developed by FSD Kenya is employed to measure relationship between mobile financial application usage and financial literacy. As a result of the field work carried out, a data set containing 215 observations was created with the help of students studying at the different faculties of Adnan Menderes University. Data obtained during the research. will be empirically examined by expert researchers at following section of this paper.

Findings and Discussion

Financial literacy can affects positively financial inclusion by allowing the individuals who are the constituents of the economic system to be effective financial actors. In addition to this, one of the most important reasons of inadequately developed financial systems is lack of financial literacy.

As a result, the way of economic development, which determines the prosperity of the societies, goes from economic growth and the way of economic growth goes from financial development that determined by financial literacy. In addition to these, achieving high levels of financial literacy can contribute to economic stability by helping to reduce problems and potential reasons of financial crises such as asymmetric information, excessive borrowing, unconscious credit card usage, which are the most important causes of the economic and financial crises. On the other hand, while the world's technological structure is rapidly changing, the economic system is shaped again and again within the framework of creative destruction, as expressed by Joseph Schumpeter. In this context effects of technological innovations such as financial mobile applications are of great importance. In this study, financial literacy and mobile applications are evaluated and the effect of the use of financial mobile applications on financial literacy is examined. According to the findings obtained as a result of the research, research participants frequently use financial mobile technologies and their financial literacy skills level are at a good level. In this context, research findings indicate the existence of a positive relationship between the use of mobile applications developed in the financial field and financial literacy. The findings of the research are consistent with the results of fintech-financial literacy literature. For a more sophisticated financial system, the level of financial literacy needs to be raised. According to this study, the mobile applications that will be developed in the finance field can play an important role in achieving this aim.