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EXPLORING THE ROLE OF FINANCIAL LITERACY IN ENHANCING FINANCIAL INCLUSION ACROSS DEMOGRAPHIC GROUPS

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ABSTRACT

This study explores the interplay between financial literacy and financial inclusion, examining how individuals across diverse demographic groups access and effectively use financial services. By understanding the scope and impact of financial literacy on economic decision-making, the study highlights the empowering role of financial knowledge in enhancing financial inclusion, which is essential for personal and community economic resilience. The research assesses levels of financial literacy regarding investment shares, insurance awareness, and borrowing behaviours while considering variables such as age, gender, and community group.

Primary data were gathered through structured interviews with 260 respondents selected via stratified random sampling. This study's findings have significant implications for financial policy and practice. They highlight the need for targeted financial education programs, especially for underrepresented groups, to bridge knowledge gaps and promote effective engagement with financial services. These insights underscore that integrating financial literacy initiatives with accessible financial services can foster sustainable economic growth and reduce financial vulnerability, benefiting both individuals and communities.

KEYWORDS: *Financial Literacy, Financial Inclusion, Yemen, Community Groups.*
JEL Classification Code: G21, O16, D14, I25, R20

INTRODUCTION

Financial literacy and financial inclusion are deeply interconnected concepts that work together to empower individuals and communities economically. While financial inclusion focuses on providing access to financial services, financial literacy is about equipping individuals with the knowledge and skills needed to make informed financial decisions. (Raza, 2023). For financial inclusion to be effective, individuals must understand how to use financial products like bank accounts, credit, insurance, and savings effectively. Financial literacy helps by improving awareness, helping people manage their money wisely, avoiding excessive debt, and understanding the benefits of formal financial services over informal options. This understanding also reduces macroeconomic risks by enabling people to make better financial choices, which in turn can stabilize and stimulate economic growth (Didenko, Petrenko And Pudlo, 2023).

By pairing financial inclusion with financial literacy, countries can create an environment where underserved populations and SMEs not only have access to financial services but can use them effectively to improve their economic resilience and contribute to the formal economy. Together, financial inclusion and financial literacy serve as foundational pillars for building sustainable economic growth and a resilient financial sector. (Lusardi and Mitchell, 2012). Financial literacy refers to understanding and effectively using various financial skills. It encompasses a range of knowledge that enables individuals to make informed financial decisions, which can significantly impact their personal and business lives. (Rahadjeng ., 2023). The OECD INFE defines financial literacy as "the awareness, knowledge, skill, attitude, and behavior required to make sound financial decisions and ultimately achieve individual financial well-being.

Research indicates that individuals with higher financial literacy are more likely to engage in effective retirement planning, comprehend concepts such as interest compounding and risk diversification, and ultimately secure their financial futures. (Huston, 2010). Higher levels of financial literacy are associated with improved financial behaviours, such as better budgeting and saving practices, which contribute to overall family welfare. More importantly, financial literacy is crucial for promoting financial inclusion, as it empowers individuals to engage with financial products and services effectively, making them an integral part of the larger economic system.

Financial literacy is a vital skill that significantly influences personal and community economic health. By addressing the barriers to financial education and promoting inclusive financial practices, we can enhance financial literacy levels, leading to improved economic outcomes for individuals and communities alike. This improvement in economic outcomes offers hope for a better financial future. In essence, financial literacy is not just about understanding markets and investments; it also involves grasping the basics of banking, financial planning, and the importance of being financially savvy. Enhancing financial literacy is vital for fostering equitable economic growth and improving community well-being. (Gale, 2011)

Despite its importance, financial literacy remains low globally, with significant disparities based on demographics such as age, gender, education, and geographic location. For instance, studies show that women generally have lower financial literacy than men, and older adults often overestimate their financial knowledge. As the responsibility for retirement savings increasingly shifts to individuals, targeted financial education programs are essential to enhance financial decision-making and improve retirement security. (Sulaiman Ebrahima *et al.*, 2024).Online financial literacy tools offer promising methods for enhancing saving behaviour, particularly through user-driven communities and interactive simulations. These tools can make financial concepts more accessible and engaging, potentially leading to better decision-making. However, traditional methods, such as workplace financial education and structured classes, have shown some effectiveness in increasing retirement plan participation and overall savings, especially among lower-income households. While traditional approaches have produced mixed results, online tools are still largely untested regarding their long-term impact on saving behaviour. Combining both methods could leverage their strengths, suggesting a complementary relationship between online tools and traditional financial education initiatives.(Rachel Kuruvilla and N Harikumar, 2020)

The Influence of Culture on Financial Education Practices

Culture shapes financial education practices and influences how financial concepts are taught, understood, and valued within different communities. In cultures where family plays a central role, financial education may be passed down through generations, with family members teaching children about money management based on cultural practices and beliefs. Culture significantly shapes financial education practices by influencing values, communication, educational approaches, family roles, access to resources, and perceptions of financial institutions. Understanding these cultural dimensions is essential for developing effective financial literacy programs that resonate with diverse populations. Cultural values dictate attitudes towards money, saving, and spending.(Rusliati*et al.*, 2024) For instance, cultures that emphasise collectivism may prioritise family financial support over individual wealth accumulation, affecting how financial education is approached. On the other hand, Different cultures have varying communication styles, which can influence how financial topics are discussed. In some cultures, discussing money may be considered taboo, leading to a lack of open dialogue about financial literacy within families and communities.(Ahmed and Faouzi, 2023).Cultural norms can dictate the methods used for financial education. For example, some cultures may favour experiential learning, where individuals learn through practice and real-life experiences, while others may rely more on formal education and theoretical knowledge. Cultural factors can also affect access to financial education resources. (Garu and Dash, 2023) In some communities, financial literacy programs may be limited, hindering the overall financial education of individuals within that culture. (Agarwalla*et al.*, 2015). Cultural attitudes towards banks and financial institutions can shape how individuals engage with these entities. In cultures with a distrust of financial institutions, people may be less likely to seek financial education or assistance, impacting their overall financial literacy.(Pandey, Kiran and Sharma, 2022)

On the other hand, Gender plays a role, as women generally show lower financial literacy than men and are more likely to express uncertainty about financial topics. Race and ethnicity further impact literacy levels, particularly in the U.S., where Whites and Asians tend to have gre excellent financial knowledge compared to African Americans and Hispanics.(Ashoka, 2021) The geographic location adds another layer, with urban residents typically more financially literate than rural residents and significant variations across regions within countries. Education correlates strongly with financial literacy, as individuals with higher educational attainment generally possess greater financial knowledge, though education alone is not a definitive predictor. Together, these factors illustrate the multifaceted nature of financial literacy across diverse demographic groups.(Nuringtyas and Kartini, 2023)

The Role of Family in Shaping Financial Literacy

Family plays a critical role in shaping financial literacy, significantly influencing how individuals manage money, save, and make financial decisions. Family members often serve as primary educators in financial matters. Parents and guardians influence children's attitudes toward money, saving, and spending through their own behaviours and discussions about finances. This familial influence can establish foundational financial habits and beliefs that persist into adulthood.(Gale *et al.*, 2011)

Research indicates that children in financially literate households are more likely to develop positive financial behaviours. Moreover, family discussions about financial topics can enhance understanding and encourage responsible financial decision-making.(Ha and Nguyen, 2024) This intergenerational transfer of knowledge underscores the importance of family dynamics in fostering financial literacy and ultimately improving saving behaviours among individuals. Below are the key ways families contribute to financial literacy outcomes:

1) Families are often the primary educators regarding money matters. Children learn how to manage money, save, and spend from a young age by observing their parents or guardians. This foundational understanding can have a lasting impact on their future financial habits. Children are more likely to follow suit if parents demonstrate responsible behaviours, like budgeting and saving. Conversely, poor financial habits in the family can hinder a child's ability to develop sound financial skills.(Praveena F, no date)
2) Encouraging Financial Discussions: Families that openly discuss topics like saving, investing, and financial planning tend to produce individuals with stronger financial literacy. Engaging in conversations about money helps build a solid foundation of knowledge, which empowers family members to make informed financial decisions later in life.(Kulshrestha, 2023)
3) Providing Emotional and Practical Support: Families can offer emotional and practical guidance when handling money. Whether it's navigating a difficult financial decision or offering advice on budgeting, the support of family members can be invaluable. This shared experience strengthens financial literacy and fosters confidence in decision-making.(Mmari, 2023)
4) Impact of Culture and Family Dynamics: Cultural background and family dynamics also shape attitudes toward money. Different cultures may have unique perspectives on managing finances, influencing how financial concepts are taught within the family. For example, some families may emphasise frugality, while others focus on investment and wealth-building. These differences affect how individuals understand and approach financial matters.(Hamdan and Mohammed, 2021)

Realty of Financial Literacy in Yemen

According to a study by the Central Bank of Yemen, financial literacy in Yemen couldbe much higher, with only 29% possessing basic financial knowledge and a mere 12% having advanced financial understanding. This lack of financial literacy contributes to poor financial decision-making, increased debt, and persistent poverty, as many individuals struggle to access formal financial services—only 14% of adults have access to such services, and just 5% maintain a bank account. The urgent need for enhanced financial education is evident, particularly among the youth, as improving financial literacy can lead to better money management, increased savings, and overall economic empowerment. Addressing these gaps through targeted educational programs is essential for fostering financial inclusion and promoting sustainable economic development in the country.(Kulshrestha, 2023)

The youth, particularly university students, need enhanced financial education, as improving their financial literacy can lead to better money management, increased savings, and overall economic empowerment. The disparities in financial awareness between genders highlight the need for tailored educational initiatives to reach and empower all population segments effectively. (Reddy, Wallace and Wellalage, 2024)

Moreover, Yemeni educational institutions' lack of a comprehensive financial education curriculum exacerbates the issue. Currently, there needs to be a structured framework for teaching financial planning and management, which is essential for fostering a financially literate society. Financial institutions and the Ministry of Higher Education must collaborate to develop and implement a national financial education program that addresses the specific needs of Yemeni students. (Dat, Azam M and Khalidah, 2020)

In addition, the socio-economic conditions in Yemen characterized by widespread poverty and limited access to resources, further complicate the financial literacy landscape. Many individuals struggle to manage their personal finances effectively, leading to a cycle of financial instability. Addressing these challenges through targeted educational programs is essential for fostering financial inclusion and promoting sustainable economic development in the country. (Sethi, Singh and Scholar, 2024)

Ultimately, enhancing financial literacy in Yemen improves individual financial decision-making and contributes to the nation's broader economic resilience. By equipping the population with essential financial skills, Yemen can work towards reducing poverty and improving overall economic outcomes.(Bodhgire and Hassan, 2022)

Literature Review

1. **Mohammed M. Sulaiman Ebrahima (2024)** The study examines financial awareness and literacy among undergraduate students at Hodeida University in Yemen, revealing low levels of financial knowledge, particularly among female students. It highlights significant gender differences in understanding key financial concepts such as interest rates, inflation, and investment diversification. The research emphasises the urgent need for improved financial education to empower students to manage their finances effectively, which could contribute to broader economic development in Yemen. The research methodology used in the study involved a survey designed to assess the financial awareness of undergraduate students at Hodeida University in Yemen. The survey included questions related to financial terms such as "interest rates," "inflation," "risk," and "diversification." Data were collected from a convenience sample of 218 respondents, and the reliability of the questionnaire was confirmed using Cronbach's Alpha, which yielded a reliability ratio of 0.751%. The main result is that a significant portion of respondents demonstrated a high level of financial awareness, particularly regarding the concept of inflation, where 82.6% answered correctly. However, awareness decreased for other financial terms such as interest rates, risk, and diversification.

2. **Hogarth (2002)** The Federal Reserve Board study on financial literacy emphasises the critical role of financial knowledge in navigating an increasingly complex financial marketplace. With a survey of 1,000 U.S. consumers revealing an average financial knowledge score of 67%, the study highlights demographic trends indicating that more knowledgeable individuals are typically married, non-minority, middle-aged, better educated, and have higher incomes. The findings also show a correlation between financial knowledge and experience with financial products and preferences for learning sources and methods, suggesting that personal experience is the most significant factor in acquiring financial knowledge.

3. **William G. Gale (2011)** The paper collectively explores the challenges and strategies for improving financial literacy among individuals, particularly focusing on the effectiveness of various educational approaches such as online communities, simulations, and public campaigns. It highlights the mixed results of traditional financial education methods, emphasising the need for credible information, tailored messaging, and integration with public policies to foster better saving behaviours. The importance of financial literacy is underscored, especially for low—and a middle-income family, as it plays a crucial role in enhancing economic decision-making and overall societal welfare. The researcher concludes that enhancing financial literacy should be a top priority for policymakers, as the benefits extend beyond individuals to impact their families and society as a whole positively.

4. **Lusardi (2011)** Annamaria Lusardi and Olivia S. Mitchell illustrate that individuals with higher financial literacy are more likely to engage in effective retirement planning, which correlates with greater wealth. The research paper emphasises the critical role of financial literacy in retirement planning and wealth accumulation, highlighting the widespread issue of financial illiteracy across various demographics and countries. The results reveal significant disparities in financial knowledge based on age, gender, and education, underscoring the need for targeted financial education programs to enhance decision-making and improve retirement security for diverse populations. The author's measure financial literacy using a set of key principles aimed at assessing basic financial concepts relevant to individuals' day-to-day financial decisions. They focus on simplicity, relevance, brevity, and the capacity to differentiate between knowledge levels. Specifically, they designed questions to evaluate understanding of fundamental concepts such as interest compounding, inflation, and risk diversification. These questions are structured to be straightforward and do not require complicated calculations, allowing for a clear assessment of financial knowledge across different demographic groups.

Statement of the Problem

Financial literacy and financial inclusion are critical for fostering economic empowerment and resilience. However, significant gaps exist in individuals' ability to access and effectively use financial services, particularly in underserved regions like Yemen. Low financial literacy contributes to poor financial decision-making, limited savings, excessive debt, and exclusion from formal financial systems. This situation exacerbates poverty and hampers sustainable economic growth.

Yemen's financial literacy could be improved. Only 29% of the population possesses basic financial knowledge, and an even smaller percentage demonstrates advanced understanding. This lack of financial awareness, socio-economic challenges, and cultural barriers prevent individuals from leveraging financial systems to improve their economic well-being.

Disparities across demographic groups further compound the problem. Women, youth, and rural residents face greater financial literacy and inclusion challenges due to limited access to education, socio-economic constraints, and cultural norms. Additionally, the absence of a structured financial education curriculum in Yemeni schools and universities leaves many unprepared to navigate the complexities of personal finance and the formal financial sector.

Research Objectives

1- To assess the extent of knowledge and benefits derived from investment shares among various community groups.

2- To examine the level of awareness regarding insurance among different community groups and identify factors influencing this awareness.

3- To evaluate the perceived quality of financial inclusion programs and analyse differences in perception between male and female respondents.

4- To analyse the borrowing behaviours for daily living expenses among different age groups and understand their sources of borrowing.

Hypothesis of the Study

1. There is no association between community groups and benefits from investment shares.
2. There is no association between gender and the quality of financial inclusion programs offered.
3. There is an association between age and the source of borrowing.
4. There is an association between community groups and the rate of financial advice and counseling provided.
5. There is no association between community groups and the government's contribution to providing financial awareness programs.

Research Methodology

This study employs analytical and descriptive approaches to assess financial literacy across various demographic groups. The study employed a quantitative research approach, utilising structured interviews with surveys designed to gather numerical data on various dimensions of financial literacy, such as savings habits, investment awareness, insurance knowledge, borrowing behaviour, and financial education. A stratified random sampling technique was used to survey 260 individuals, ensuring a representative distribution across community groups and enhancing the reliability and generalizability of the findings.

Data Analysis and Result

Financial literacy is the ability to understand and effectively manage personal financial resources. It encompasses several key components:

1. **Saving and Investing**: Individuals should understand the importance of saving, the role of emergency funds, and the basics of investing in various financial instruments such as stocks and bonds. Understanding the importance of saving and investing is crucial to financial literacy. Saving is essential for financial security and helps individuals prepare for unexpected expenses. Establishing an emergency fund can provide a financial cushion during unforeseen circumstances, such as job loss or medical emergencies. An emergency fund typically covers three to six months of living expenses. This fund is vital for maintaining financial stability and avoiding debt during challenging times.

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Conversely, Individuals should be familiar with various investment options, such as stocks, bonds, and mutual funds. Understanding the risk and return of these financial instruments is crucial for building wealth over time. Investing allows individuals to grow their savings and achieve long-term financial goals, such as retirement or purchasing a home.

Benefit from Investment Shares by Community Group

SI. No.	Community Group	Benefit from Investment Shares			Total
		No	Don't Know	Yes	
1	Rural Workers	40 (95.24)	0 (0)	2 (4.76)	42
2	Urban Workers	23 (92)	0 (0)	2 (8)	25
3	University Boys and Girls	41 (93.18)	0 (0)	3 (6.82)	44
4	Self Employed	9 (75)	1 (8.33)	2 (16.67)	12
Total		**113**	**1**	**9**	**123**
Factor	**Calculated X^2 Value**	**Table Value**	**D.F**	**Remarks**	
Benefit from Investment Shares	11.521	12.592	6	Significant at 10%	

Note: Figures in parenthesis show percentages

Source: Primary Data

It is observed from the Table that the percentage of no benefit from investment shares is the highest (95.24%) among the respondents belonging to the rural workers group and the lowest (75%) among the respondents who are self-employed. The percentage of respondents who do not know about the benefits of investment shares is the highest (8.33%) among the respondents belonging to self employed group, and the lowest is (0%) among the respondents in other community groups. The percentage of respondents obtaining benefits from investment shares is the highest (16.67%) among the respondents belonging to self employed group, and the lowest is (4.76%) among the respondents in rural group. The results in Table show that there is no association between the community group and the benefit from investment shares. The P-value is (0.074), which is significant at 10%.Since the calculated value (11.521) is less than the table value (12.592), the Null hypothesis is accepted.

Table 1: Having Awareness of Insurance by Community Group

SI. No.	Community Group	Having Awareness of Insurance			
		No	**Yes**		**Total**
1	Rural Workers	34	54		88
		(38.64)	(61.36)		
2	Urban Workers	19	46		65
		(29.23)	(70.77)		
3	University Boys and Girls	15	59		74
		(20.27)	(79.73)		
4	Self Employed	14	19		33
		(42.42)	(57.58)		
Total		**82**	**178**		**260**
Factor		**Calculated X^2 Value**	**Table Value**	**D.F**	**Remarks**
Having Awareness Insurance		8.376	**7.815**	3	Significant at 5%

Note: Figures in parenthesis show percentages

Source: Primary Data

It is observed from the Table that the percentage of respondents who do not have awareness insurance is the highest (42.42%) at self employed, and the lowest is (20.27%) among the respondents who are university boys and girls. Whereas the percentage of respondents who have an awareness of insurance is the highest (79.73%) among the university boys and girls and the lowest is (57.58%) among the self-employed respondents. It was detected that there is an association between community groups and awareness about insurance. This indicates a significant association between the Having Awareness of Insurance by Community Groups. Since the calculated value (8.376) is greater than the table value (7.815), the null hypothesis we reject. Therefore, the P-value is (0.039), which is significant at 5%.

Application of Knowledge: Financial literacy is not just about knowing; it also requires the ability and confidence to apply that knowledge in real-life financial decisions. The Model Academic Standards for Personal Financial Literacy aims to address the financial knowledge gap among students by providing a comprehensive K-12 curriculum that covers essential topics such as credit, debt management, money management, planning, saving, investing, and community responsibility. The lack of financial literacy among students is a pressing issue. Many young adults enter the workforce or pursue higher education without a fundamental understanding of essential financial concepts. This gap can lead to poor financial decisions, increased debt, and a lack of preparedness for future financial responsibilities.

Table 2: Rate Quality of Financial Inclusion Programs Offered by Gender

SI. No.	Gender	Rate Quality of Financial Inclusion Programs Offered			
		Weak	**Medium**	**High**	**Total**
1	Male	60 (25.64)	162 (69.23)	12 (5.13)	234
2	Female	1 (3.85)	20 (76.92)	5 (19.23)	26
Total		**61**	**182**	**17**	**260**
Factor		**Calculated X^2 Value**	**Table Value**	**D.F**	**Remarks**
Rate of Financial Quality Inclusion Programs Offered		12.053	5.991	2	Significant at 5%

Note: Figures in parenthesis show percentages

Source: Primary Data

It is observed from the Table that the percentage of quality of financial inclusion programs as weak is the highest (25.64%) for males and the lowest (3.85%) for females. The percentage of quality financial inclusion programs offered as medium is the highest (76.92%) to females and the lowest (69.23%) to males. The percentage of financial quality inclusion programs offered as high is the highest (19.23%) for females and the lowest (5.13%) for males. It is perceived that there is an association between gender and the quality of the financial inclusion program offered. The calculated value (12.053) is greater than the table value (5.991). The null hypothesis was rejected; therefore, the P-value is (0.002), which is significant at 5%.

Borrowing: Financial literacy involves knowledge about loans, credit, interest rates, and managing debt responsibly. The lack of financial literacy among students is a pressing issue. Many young adults enter the workforce or pursue higher education without a fundamental understanding of essential financial concepts. This gap can lead to poor financial decisions, increased debt, and a lack of preparedness for future financial responsibilities.

Table 3: Borrow Money for Daily Live by Age

SI. No.	Age	Borrow Money for Daily Live					Total
		Friend	**Family**	**Relatives**	**Bank**	**Other**	
1	18-30	1 (0.71)	3 (2.13)	75 (53.19)	39 (27.66)	23 (16.31)	141
2	31-40	1 (1.22)	3 (3.66)	20 (24.39)	35 (42.68)	23 (28.05)	82
3	41-50	1 (3.33)	1 (3.33)	15 (50)	10 (33.33)	3 (10)	30
4	Above 50	0 (0)	0 (0)	0 (0)	4 (57.14)	3 (42.86)	7
Total		**3**	**7**	**110**	**88**	**52**	**260**

Factor	Calculated X^2 Value	Table Value	D.F	Remarks
Borrow Money for Daily Live	27.352	21.026	12	Significant at 5%

Note: Figures in parenthesis show percentages

Source: Primary Data

Regarding the Table, the percentage of respondents who borrow money from friends is the highest (3.33%) at 41-50 years, and the lowest is (0%) among the respondents who are above 50. The percentage of people who borrow money from family is the highest (3.66%) by 31-40 years, and the lowest is (0%) at 50 years above. The percentage of respondents who borrow money from relatives is the highest (53.19%) by 18-30 years, and the lowest is (0%) among the respondents above 50 years. The percentage of respondents who borrow money from banks is the highest (57.14%) at above 50 years, and the lowest is (27.66%) among the respondents whose age is 18-30 years. The percentage of respondents who borrow money from others is the highest (42.86%) at above 50 years, and the lowest is (10%) among the respondents whose age is 41-50. Since the calculated value (27.352) is greater than the table value (21.026), the null hypothesis was rejected; the P-value is (0.007), which is significant at 5%.

2. **Influences on Financial Behavior:** Various factors, including behavioural biases, self-control issues, and social influences, can affect financial behaviours and well-being. Various factors can significantly influence financial behaviours and overall well-being. Behavioural biases, such as overconfidence or loss aversion, can lead individuals to make suboptimal financial decisions. Self-control issues often result in impulsive spending or inadequate saving for the future. Additionally, social influences, including peer pressure and cultural norms, can shape financial behaviours, impacting how individuals manage their finances and plan for long-term goals.

Table 4: Rate of Financial Advice and Counseling Given by Community Group

SI. No.	Community Group	Rate of Financial Advice and Counselling Given				Total
		No	Weak	Medium	High	
1	Rural Workers	20 (22.73)	54 (61.36)	8 (9.09)	6 (6.82)	88
2	Urban Workers	11 (16.92)	34 (52.31)	16 (24.62)	4 (6.15)	65
3	University Boys and Girls	15 (20.27)	37 (50)	16 (21.62)	6 (8.11)	74
4	Self Employed	4 (12.12)	23 (69.7)	1 (3.03)	5 (15.15)	33
Total		**50**	**148**	**41**	**21**	**260**
Factor		**Calculated X^2 Value**	**Table Value**	**D.F**	**Remarks**	
Rate of Financial Advice and Counselling Given		16.999	16.919	9	Significant at 5%	

Note: Figures in parenthesis show percentages

Source: Primary Data

It is detected from Table that the percentage of rate of financial advice and counseling given as No is the highest (22.73%) among the rural workers group, and the lowest is (12.12%) among the respondents who are self employed group. The percentage of rate of financial advice and counselling given as weak is the highest (69.7%) at the self employed group, and the lowest is (50%) among the respondents who are university boys and girls group. The percentage of rate of economic lectures organised as a medium is the highest (24.62%) at the urban workers group and the lowest is (3.03%) among the respondents who are self employed group. The percentage of rate of financial advice and counselling given as high is the highest (15.15%) at the self employed group, and the lowest is (6.15%) among the urban workers group respondents. Here, based on the results of Table, it is noticed that there is an association between the community group and the financial advice and counselling given. Since the calculated value (27.352) is greater than the table value (21.026) the null hypothesis is rejected. Therefore, the P-value is (0.049), which is significant at 5%.

Importance of Financial Education: Financial education is crucial for improving financial literacy, but it must be customised to suit various demographics and life stages instead of using a generic approach. Tailoring financial education ensures that individuals receive relevant information that aligns with their specific needs and circumstances, thereby enhancing its effectiveness. Financial education aim to enhance financial literacy, but it should be tailored to different demographics and life stages rather than adopting a one-size-fits-all approach.

Table 5: Rate of Government Contributions to Providing Financial Awareness Programs by Community Group

SI. No.	Community Group	Rate of Government Contributions to Providing Financial Awareness Programmes				Total
		No	Weak	Medium	High	
1	Rural Workers	22 (25)	55 (62.5)	7 (7.95)	4 (4.55)	88
2	Urban Workers	9 (13.85)	44 (67.69)	8 (12.31)	4 (6.15)	65
3	University Boys and Girls	27 (36.49)	38 (51.35)	3 (4.05)	6 (8.11)	74
4	Self Employed	5 (15.15)	24 (72.73)	2 (6.06)	2 (6.06)	33
Total		**63**	**161**	**20**	**16**	**260**
Factor		**Calculated X^2 Value**	**Table Value**	**D.F**	**Remarks**	
Rate of Government Contributions to Providing Financial Awareness Programs		14.961	16.919	9	Significant at 10%	

Note: Figures in parenthesis show percentages

Source: Primary Data

It is detected from the table that the percentage rate at which the government contributes to providing financial awareness programs as No is the highest (36.49%) at the university boys and girls group, and the lowest is (13.85%) among the respondents who are urban workers group. The percentage of the rate of government contributions to providing financial awareness programs as weak is the highest (72.73%) at the self employed group, and the lowest is (51.35%) among the respondents who are university boys and girls group. The percentage of rate of government contributes to providing financial awareness programs as a medium is the highest (12.31%) at an urban workers group, and the lowest is (4.05%) among the university boys and girls group respondents. The percentage of rate of government contributes to providing financial awareness programs as high is the highest (8.11%) at the university boys and girls group, and the lowest is (4.55%) among the respondents who are rural workers groups. In the Table, the results show there is no association between the community group and the government's contribution to providing financial awareness programs. Since the calculated (14.961) is less than the table value (16.919), the null hypothesis is accepted. Therefore, the P-value is (0.092), which is significant at 10%.

Hypotheses testing

1- **(H0):** There is no association between community groups and benefits from investment shares.

The result: The hypothesis is accepted, as the p-value is 0.074, which is significant at the 10% level. The calculated value (11.521) is less than the table value (12.592), indicating no significant association between community group and benefit from investment shares.

2- **(H0):** There is no association between gender and the quality of financial inclusion programs offered.

The result: The hypothesis is rejected, as the p-value is 0.002, which is significant at the 5% level. The calculated value (12.053) is greater than the table value (5.991), indicating a significant association between gender and the quality of financial inclusion programs offered.

3- **(H0):** There is an association between age and the source of borrowing.

The result: The hypothesis is accepted, as the p-value is 0.007, which is significant at the 5% level. The calculated value (27.352) is greater than the table value (21.026), indicating a significant association between age and the source of borrowing.

4- **(H0):** There is an association between community groups and the rate of financial advice and counseling provided.

The result: The hypothesis is accepted, as the p-value is 0.049, which is significant at the 5% level. The calculated value (27.352) is greater than the table value (21.026), indicating a significant association between the community group and the rate of financial advice and counseling provided.

5- **(H0):** There is no association between community groups and the government's contribution to providing financial awareness programs.

The result: The hypothesis is accepted, as the p-value is 0.092, which is significant at the 10% level. The calculated value (14.961) is less than the table value (16.919), indicating no significant association between community group and the government's contribution to providing financial awareness programs.

CONCLUSION

This study emphasises the pivotal role of financial literacy in bolstering financial inclusion. It demonstrates that knowledge and skills in financial management are not just beneficial but essential for individuals to utilise available financial services fully. Financial literacy not only equips individuals with the ability to make informed decisions but also encourages a more profound interaction with financial products. This, in turn, fortifies economic resilience and contributes to broader economic stability.

The analysis of financial literacy across different demographic groups revealed significant associations, particularly between community groups and insurance awareness and between age groups and borrowing for daily expenses. These findings suggest that financial literacy programs must be tailored to the needs of specific groups, as variations in awareness and behaviour patterns indicate different challenges and needs. By identifying these demographic patterns, financial education programs can be designed to bridge knowledge gaps, promote sound financial behaviours, and enhance the economic well-being of underserved populations.

Limitations of the Study and Scope for Further Research

This study faces several limitations, including its geographical focus on Yemen, restricting generalizability to other regions, and a sample size of 260 respondents, which may not fully represent the nation's diverse population. Reliance on self-reported data introduces potential biases, while the study's limited timeframe offers only a snapshot of current trends.

Future research could address these gaps by conducting longitudinal studies, cross-country comparisons, and qualitative analyses to explore cultural factors and the integration of informal and formal financial systems. Investigating the role of technology, gender-specific challenges, and the effectiveness of educational programs would also provide deeper insights into enhancing financial literacy and inclusion, fostering sustainable economic growth and resilience.

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