



## Impact of Islamic Financial Attitude on Islamic Financial Behaviour among Youth in Turkey: A Moderated Mediation Model

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**Abstract:** This study aimed to identify Islamic financial attitudes as a consideration of Islamic financial behavior under the mediating role of Islamic financial knowledge. It also measured a moderated mediation model of awareness of the nexus between attitude and behavior through Islamic financial knowledge as a mediator. Analysis of Moment Structure (AMOS) and Statistical Package for the Social Sciences (SPSS) to compute the measurement and structural model were used. The data were collected in a city in Turkey (Trabzon). In this study, 630 questionnaires were distributed, of which 387 were included in the analysis as usable responses. The research sample consisted of young people. To improve Islamic financial literacy (IFL) among the youth, it is crucial to organize financial education programs and create financial awareness about financial attitudes and behaviors. The present study investigated an original nexus between Islamic financial attitudes and knowledge according to the theory of planned behavior and the theory of reasoned action. It contributes to the existing knowledge and understanding of the subject by contextualizing the concept of Islamic financial behavior. If we consider Islamic financial knowledge as a process, the result shows a significant nexus between the variables of this study. The findings suggest that Islamic financial knowledge serves as an important mediator between Islamic financial attitudes and behavior. Islamic financial awareness has an indirect and conditional effect on the association between Islamic financial attitudes and behavior and Islamic financial knowledge as a mediator.

**Keywords:** Islamic financial literacy, financial attitude, financial knowledge, financial behaviour, financial awareness.

**JEL Classification:** G20, G21, G53



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## Introduction

With the increasing development of a range of services with a variety of financial products that have emerged recently, money management has become a particular challenge, especially for young people (Filipiak & Walle, 2015). Globalization and innovation have led to the emergence of a large number of investment opportunities that are becoming increasingly complex. Therefore, financial decisions should not be left to chance. The level of financial knowledge is crucial for individuals to be able to make appropriate and correct decisions about their financial commitments and their financial future. In this context, the most important element known to influence an individual's financial well-being is financial literacy. This is because this determinant ensures the ability to understand how financial transactions work. Financial literacy (FL) is one of the most substantial determinants of financial knowledge. FL provides individuals with the ability to understand how finances work (Dolan et al., 2007). Knowledge of personal finance or FL is particularly important for today's youth as they are more exposed to financial decisions than their parents (Aprea et al., 2016). Most young people need to improve the knowledge and skills to be financially independent (Shim et al., 2009).

Awareness of financial planning is low among today's youth. Studies of young people studying at universities in Australia, the United Kingdom and the United States has revealed that young people lack planning skills on topics, such as high debt, bankruptcy risk and retirement (James et al., 2002; Marriott, 2007; Hoffman et al., 2008). On the other hand, a study was also conducted showing that family is the most important factor in financial learning among young people (Sharif & Naghavi, 2020). Therefore, the issue of FL cannot be ignored as it is a basic element in making proper financial decisions (Twumasi et al., 2021). FL has become a major topic of discussion among global policymakers and financial analysts in recent years. These concerns have intensified, especially after the global financial crisis that began in mid-2008 and was centered in Europe and the United States. One of the main consequences of the crisis was the lack of financial knowledge, which led to ill-informed financial judgments. This has been recognized by many countries as an essential element for a country's economic prosperity and financial stability in the long run (Wee & Goy, 2022). The higher a person's financial literacy, the more rational their financial decision-making process. Adequate financial knowledge enables individuals to take advantage of the opportunities offered by the financial system and correctly assess potential risks (Abdul et al., 2022). Financially literate people are better able to control spending, budget and save (Abubakar, 2015).

There are various definitions of the concept of FL in the literature. Noctor et al. (1992) defined FL as “making conscious decisions about the use and management of money.” Servon and Kaestner (2008) defined financial literacy as “the ability of individuals to make the best use of their knowledge and skills about their financial interests.” Greenspan (2002) expressed that individuals must have knowledge and make conscious financial decisions to maximize their utility. According to the Organisation for Economic Co-operation and Development (OECD, 2005), financial literacy is described as “[...] the combination of consumers’/investors’ understanding of financial products and concepts and their ability and confidence to assess financial risks and opportunities, make informed decisions, know where to turn for help and take other effective actions to improve their financial well-being.” The lack of a precise and common definition of FL in the context of individuals’ financial behaviour means that the terms financial literacy, financial education and financial knowledge are interchangeable. In summary, FL combines consumers’ and investors’ understanding of financial instruments and concepts with their knowledge-based decision-making skills and confidence (Hilgert et al., 2003).

This study differs from other work in the literature in two key respects. First, it focuses its attention on the topic in the context of Islamic finance rather than traditional finance. Second, this study represents a pioneering work investigating the Islamic financial attitudes and behaviours among the youth in Turkey.

This research aims to measure the impact of Islamic financial attitude and knowledge factor on Islamic financial education behaviours among youth. In addition, this study aims to measure the moderated mediation of Islamic financial awareness on the nexus of Islamic financial attitude and behaviour through the mediating role of Islamic financial knowledge.

The present study is divided into six sections. The first section serves as an introduction to the topic. The second section contains a literature review and the development of hypotheses. The third section deals with the conceptual framework used for this study. The following sections present the research method and results, followed by the consequences of this research and the implications and for further research.

## Literature and Hypothesis Development

### Theoretical Background

The theoretical basis of this study consisted of the theory of reasoned action (TRA) and the theory of planned behavior (TPB) models. This is the motivation behind a person's desire to behave, which may also be linked to their beliefs and abilities to perform this behavior. Therefore, both their simplicity and applicability as well as the empirical support resulting from their dynamic nature played an important role in the selection of the models. In this context, TRA was introduced by Fishbein and Ajzen to establish relationships between beliefs, attitudes, intentions, and behaviors (Taib et al., 2008). According to TRA, the factors that best predict an individual's intentional and goal-directed behaviors are the attitudes toward these behaviors and the subjective norms regarding them. In addition, an individual's behaviors are influenced by personal attitudes and social influence factors. Fishbein and Ajzen have defined the attitude factor as the degree to which a person prefers or likes a particular object. Social influence is about an individual's motivation, caused by the orientation towards attachment figures, such as spouse, family, friends and the like, to whom he or she attaches personal importance (Lada et al., 2009; Trafimow, 2009). In addition, Ajzen (1991) further developed the TPB by including the variable of perceived behavioral control in the model to explain situations in which individuals lack control over their behavior for reasons, such as insufficient skills or lack of resources. The TPB proposes three determinants of behavioral intention: subjective norms and perceived behavioral control (PBC). First, attitude reflects the extent to which a person desires to perform a particular behavior. Second, subjective norm refers to the social factor influencing whether a person performs or refrains from a certain action. Third, it is a measurement tool for a person's decision to perform a certain behavior (Ajzen, 1991). PBC has complex determinants, such as knowledge and awareness related to financial decisions (Oladapo et al., 2019; Raut, 2020; Amin, 2023).

### Youth

According to UNESCO, "Youth is best understood as a period of transition from the dependence of childhood to adulthood's independence and awareness of our interdependence as members of a community." UNESCO has characterized youth as individuals between age of acquiring necessary education, separation from parental care, and finding initial employment, thereby regarding age as the most straightforward means of defining youth. The United Nations (UN) has established

a definition of youth as people within the age range of 15 to 24 years, which has been employed to ensure uniformity in statistical analyses across international programs. However, for country-specific programs, the UN has adopted the respective member states' distinct descriptions of youth. With respect to Garg & Singh (2018), the African Youth Charter has defined "Youth" as individuals within the age range of 15 to 35 years (Garg & Singh, 2018).

### Definition of IFL Concept

FL is a substantial topic that can influence individuals' behaviour and change their economic and financial assessments. As Zou and Deng (2019) noted, the concept of FL has been extensively studied by scholars. However, very few studies have been conducted on IFL in the literature on Islamic finance. The reason for this is that IFL is associated with Muslim customers. Although Muslim customers are familiar with Islamic banking culture, their knowledge of Islamic banking is low (Lujja et al., 2018).

IFL is a person's ability to manage financial resources in accordance with Islamic values by applying their financial skills, knowledge and attitudes (Rahim et al., 2016). Conceptually, IFL is defined as making decisions that are consistent with Islamic values, such as *riba*, *gharar*, *income*, *maysir*, *credit* and *investment* (Sari et al., 2021). Antara et al. (2016) defined IFL as the level of awareness, knowledge and understanding of financial services and information that can influence a person's attitude to make financially sound decisions in accordance with Islamic law. Taofik & Hamdani (2016) define IFL as a person's ability to make financial decisions based on the principles of the Islamic financial system.

In the existing literature on Islamic financial literacy, Muslichah & Sanusi (2019) investigated the motives for using Islamic financial instruments by individuals and companies. Subsequently, their study revealed the significant influence of financial behaviour on the adoption of Islamic financial instruments. The study conducted by Muslichah & Sanusi (2019) underlines the important influence of financial behaviour on the adoption of Islamic financial products. Dinç et al. (2021) developed an IFL scale based on the principles of Islamic finance. The study introduced additional dimensions related to Islamic financial knowledge, Islamic financial behaviour, Islamic financial awareness and Islamic financial attitude within the framework of Islamic financial literacy. According to Sardiana (2016), IFL has a significant impact on people's inclination to use Islamic financial instruments. There are also other studies that found a strong relationship between financial be-

haviour and knowledge with IFL (Alfarisi, 2020; Gunawan et al., 2021; Yusufiarto et al., 2022). Therefore, the studies reviewed above showed that an increment in the level of IFL was closely related to the adoption of Islamic financial products (Rozikin & Sholekhah, 2020). In contrast to these findings, some studies suggest that individuals have doubts about adopting Islamic financial instruments due to the different practices of Islamic financial institutions (Albaity & Rahman, 2019; Addury et al., 2020).

### Islamic Financial Attitude and Knowledge

Attitude means a person's negative or positive feelings towards a situation (Albarq & Alsughayir, 2013). In other words, attitude is a key factor influencing a person's performance on a particular behavioral intention. (Lajuni et al., 2017). This means that a person's behavioral intention in using Islamic financial services is significantly influenced by their attitude. Attitudes are influenced by the individual's culture and values (Albaity & Rahman, 2019). Attitude can be defined in two ways. First, it expresses whether an action is important, valuable or harmful. Second, it describes the behavior as pleasant or enjoyable (Ajzen, 2006; Schmidt, 2010). Albaity & Rahman et al. (2018) have demonstrated the mediating effect of the attitude factor between Islamic financial knowledge and preference for Islamic banks. Financial knowledge has a significant share in financial literacy. Moreover, financial knowledge refers to the understanding of basic financial concepts that facilitate, enrich or support financial decisions (Lusardi & Scheresberg, 2013). Product or instrument knowledge is very important in the context of Islamic finance. It is important for individuals to recognize that Islamic financial products are significantly different from traditional banking products and that in Islam, the interests of society take precedence, as Hati et al. (2020) emphasize. In empirical studies, Nguyen (2013) examined the financial knowledge of high school students. Yates & Ward (2011) investigated the level of financial knowledge among young people and adults. They found a lack of financial knowledge in connection with the level of financial knowledge.

***H<sub>1</sub>***: *Islamic financial attitude affects knowledge significantly.*

### Islamic Financial Knowledge and Behaviour

In the literature, research has generally focused on the role and importance of financial knowledge. Panagou et al. (2021) emphasize the significant role of knowledge in cognitive development. Financial knowledge contributes to using credit cards, retirement planning and individual investments (Warwick & Mansfield, 2000; Parker

et al., 2012). Behaviour, on the other hand, is any activity that can be observed and monitored by others. Furthermore, behaviour can be defined as the action that an individual exhibits in response to internal and external factors. Financial behaviour is an individual's reaction or action in response to financial judgments (Rahman et al., 2018). Conscious financial behaviour refers to financial activities, such as budgeting and planning, retirement planning, and cash flow management (Kapoor et al., 2004). Dew & Xiao (2011) define financial behaviour as financial management behaviour. Financial management is an activity focused on maximizing profits and managing money. Financial behavior is therefore about how a person handles money. There are studies in the literature that find a strong nexus between financial behaviour and knowledge (Zakaria et al., 2012; Ahmad et al., 2016).

*H<sub>2</sub>: Islamic financial knowledge affects behaviour significantly.*

### **Islamic Financial Attitude and Behaviour**

If we look at the studies examining the effects of financial attitude on financial preferences, behaviours, and tendencies, Shih & Ke (2014) describe the antecedents of financial attitude as achievement, attachment, prestige, and anxiety. On the other hand, Fünfgeld & Wang (2009) examined financial attitudes and behaviours in five categories. These are financial problems, interest, anxiety, decision making, the need to save and the tendency to spend cautiously. Jorgensen et al. (2017) found a financial nexus between attitude and behaviour change. In the context of Islamic banking, it has been argued that the attitude factor has a strong influence on the intention to choose Islamic banks (Amin et al., 2011; Mehtab et al., 2015; Warsame & Ireri, 2016). However, in contrast to these studies, there are also studies that have not found a strong nexus between attitude and behaviour (Terry et al., 2000). However, Sheppard et al. (1988) pointed out the importance of attitude in predicting behavioural intentions. A study also showed that financial attitudes vary by culture and region (Lissitsa & Kol., 2016).

*H<sub>3</sub>: Islamic financial attitude affects behaviour significantly.*

### **Islamic Financial Knowledge as a Mediator between Islamic Financial Attitude and Islamic Financial Behaviour**

As Hilgert et al.'s (2003) study revealed sufficient financial knowledge plays an important role in the formation of appropriate financial behaviours. According to Chiu & Newberger (2006), human life becomes more prosperous and fruitful when Islamic financial knowledge is utilised in accordance with the rules of the Sunnah

and the Qur'an. In this context, Islamic financial knowledge is the main factor for Islamic financial behaviour and mediates Islamic financial behaviour. Mountain et al. (2021) investigated the mediating effect of financial knowledge on young people's financial behaviours. Their study found that financial knowledge significantly mediated the improvement of financial behaviours. Ghosal et al. (2022) investigated the mediating role of financial knowledge on the financial behaviour of young people. The study was conducted on people aged 25-34 years. Consequently, the authors found that financial knowledge is a mediating variable for financial behaviour. Considering these essential factors of the mediating nature of financial knowledge among several notable contexts, this study projects the mediating role of Islamic financial knowledge between attitude and behaviour.

**H<sub>4</sub>:** *Islamic financial knowledge mediates the nexus between Islamic financial attitude and behaviour*

### **Conditional Indirect Effect of Islamic Financial Awareness on the Relationship of Islamic Financial Attitude and Behaviour through Knowledge**

Awareness is the ability to understand, feel or be aware of events, emotional patterns, thoughts or objects. Essentially, awareness is the degree of knowing or being aware of something. Similarly, awareness is the degree to which a person is familiar with a product feature, service or design (Barreda et al., 2015). Previous studies investigating the role of awareness in the adoption and use of Islamic products have found a positive influence on awareness (Thambiah et al., 2010; Kaabachi & Obeid, 2016; Aziz et al., 2017; Chaouch, 2017).

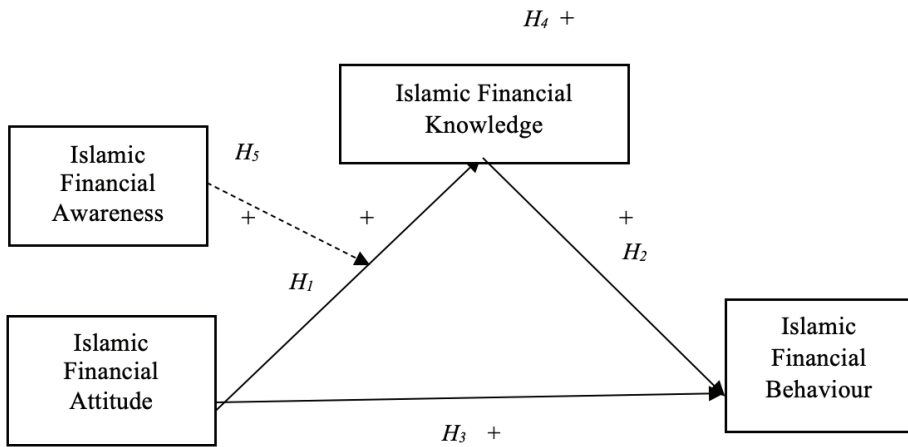
In their study, Indana and Pambekti (2022) examined the mediating role of Islamic financial attitudes in the relationship between Islamic financial behavior and Islamic financial knowledge. The authors concluded that attitudes towards Islamic financial could potentially mediate the relationship between Islamic financial behavior and knowledge. On the contrary, Winarta and Pamungkas (2020) found in their study that financial knowledge does not mediate the relationship between financial attitude and financial practice. On the other hand, Imaeva et al. (2014) revealed in Russia that people have low knowledge about financial instruments. Similarly, Faisal et al. (2014) found that awareness and usage of Islamic banking instruments are low among Muslims and non-Muslims in India.

**H<sub>5</sub>:** *Islamic financial awareness moderates the mediated nexus between Islamic financial attitude and Islamic financial behaviour through Islamic financial knowledge such that nexus will be powerful on the high level of Islamic financial awareness.*



### Conceptual Framework

This study involved a survey and the data were collected between April and December 2022. The participants were university students. The participants were asked questions about Islamic financial attitudes, knowledge, awareness and behaviour in the context of Islamic financial literacy. In this study, 630 questionnaires were distributed, of which 387 were included in the analysis as usable responses. The sample size was determined using the calculation techniques improved by Krejcie & Morgan (1970) and Sekaran & Bougie (2016). Accordingly, the probability sample used in the present study was appropriate.



**Figure 1:** Conceptual Framework Created by the author

A sample size of at least 384 is sufficient to represent the population. The data obtained from the surveys were subjected to statistical analysis to obtain meaningful research results. In this study, the data were analysed to identify factors that influence Islamic financial behaviour among young people (Mountain et al., 2021). The questionnaire used in this study consisted of two parts. The first part contains questions about the participants’ demographic data. The second part contains scale items. The answers to the questions were obtained using a cross-sectional method on a five-point Likert scale. The use of the 5-point Likert scale poses no problems in this context. The survey includes a scale developed by previous authors (Antara et al., 2016). Islamic financial behaviour was measured using a 7-point scale. A sample question is: “I avoid interest-based transactions.” Islamic financial attitudes were measured using a 4-point scale. A sample question is: “A loan should not be given to generate income.” Knowledge of Islamic financial was measured with a 7-point

question. A sample question is: “It is not acceptable to invest in a company whose contractual terms are not clearly defined.” Awareness of Islamic financial was measured using a 2-point scale. A sample question is: “I do not mind inviting others as partners in my business.” 64% of participants are female and 36% are male. The age range of respondents consists of young people between 18-35 years old.

## Research Method and Findings

To test the hypotheses, a structural model created by Hayes (2018) was used with the help of the PROCESS Macro 4.2 benefit from AMOS 24 software. First, the model fit was weighted in the analysis using AMOS. AMOS is an additional statistical program for the social sciences (SPSS). It is used in particular for path analysis, confirmatory factor analysis (CFA) and the modeling of structural equations. In quantitative research, certain research questions require mixed moderation or mediation. In the second step, the structural model of the study was analyzed using the PROCESS macro improved by Hayes (2018).

The process is a tool for modeling controlled variables and regression paths by Hayes (2018). This approach is commonly used in various fields, such as health sciences, economics, and the social domain, to anticipate the direct and indirect effects of multiple or single mediator models (including serial and parallel models), examine two- or three-way interactions and interactions in intermediate models using simple slopes, and identify significant interactions and contingent indirect effects in mediation models moderated by multiple or single moderators or mediators. Interpreting and conducting mixed analyzes using a standard statistical program, such as SPSS can be challenging. However, statisticians are using advanced tools in conjunction with existing statistical programs to simplify the performance and interpretation of mixed analyses. PROCESS macro, extended by Andrew Hayes (Noor et al., 2022). A look at Table 1 shows that the mean values of all constructs are within the agreement range, as the scale ranges are between “strongly disagree” and “strongly agree.” Furthermore, the correlation results were statistically significant.

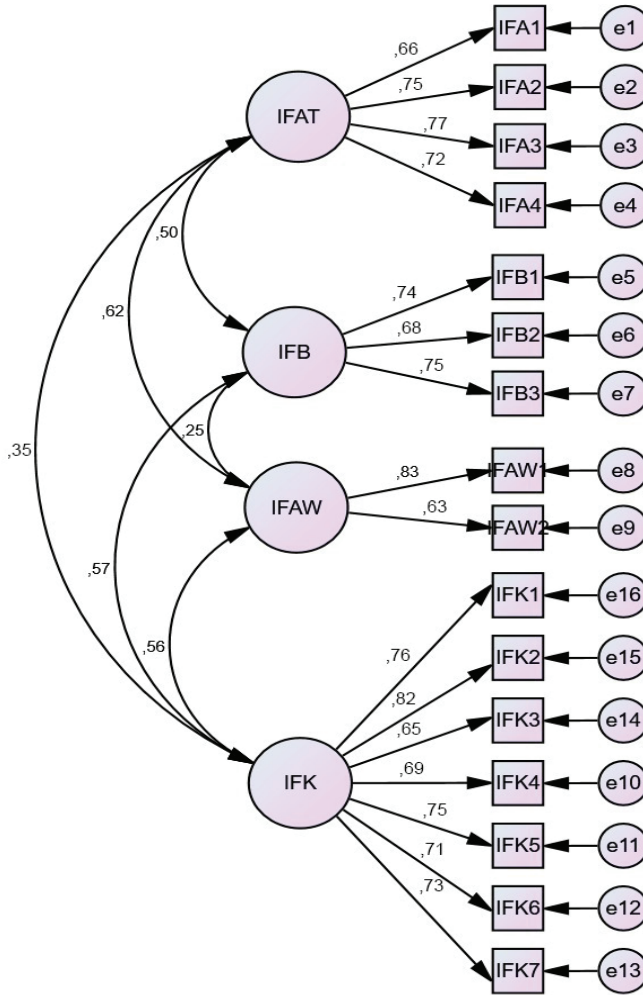
**Table 1**

*Descriptive Statistics and Correlation Results*

Construct	Mean	SD	1	2	3	4
1 Islamic Financial Attitude (IFAT)	3.833	0.870	1			
2 Islamic Financial Knowledge (IFK)	3.778	0.758	0.602*	1		
3 Islamic Financial Awareness (IFAW)	3.486	1.063	0.450*	0.364*	1	
4 Islamic Financial Behavior (IFB)	3.667	1.047	0.357*	0.393*	0.248*	1
<b>Note(s):</b> * $p < 0.01$						

**Research Dimension**

In this study, validity, reliability of the measuring was utilized. The composite reliability and Cronbach’s alpha reliability of all structures were greater than 0.70. This confirmed the reliability of the structures. The 4 items related to the Islamic financial behavior factor were removed from the analysis due to their factor loadings being less than 0.4. As shown in Figure 2, the remaining items had factor loads greater than 0.40. Average variance extracted (AVE) of all the structures was more than 0.50 verifiable the convex validity. Table 2 shows that of all constructs is less than the verifiable AVE. The research model had a great fit with a chi-square/degree of freedom of 2.452 and a goodness-of-fit index (GFI) of 0.945, adjusted goodness of fit index (AGFI) of 0.921, comparative fit index (CFI) of 0.963, root mean square error of approximation (RMSEA) of 0.051 (Hair et al., 2012).



**Figure 2:** Measurement Model

### Mediation Analysis

Mediation analysis was fulfilled using model 4 of process macro 4.2 with 5.000 with 5.000 bootstrapped samples and a 95% confidence interval by Hayes (2018). The findings showed mediation in Table 3. The nexus between Islamic financial attitude and knowledge was significant (Beta = 0.550, with an upper limit confidence interval [ULCI] = 0.618, lower limit confidence interval [LLCI] = 0.482), conducive to acceptance hypothesis 1. The nexus between Islamic financial knowledge and

behaviour was significant (Beta =0.405, ULCI = 0.566, LLCI =0.244). Therefore, hypothesis 2 was accepted. Islamic financial knowledge mediated the nexus between Islamic financial attitude and behaviour (Beta = 0.223, ULCI = 0.341, LLCI = 0.112). Thus, hypothesis 4 is accepted. Besides, the direct nexus between Islamic financial attitude and behaviour was important (Beta = 0.222, ULCI = 0.362, LLCI = 0.081). Therefore, hypothesis 3 was accepted.

**Table 2**

*Factor Loadings, Validity and Reliability Results*

Construct	FL	$\alpha$	AVE	CR
Islamic Financial Attitude		0.81	0.53	0.82
IFA1	0.66			
IFA2	0.75			
IFA3	0.77			
IFA4	0.72			
<i>Islamic Financial Knowledge</i>		0.88	0.54	0.89
IFK1	0.76			
IFK2	0.82			
IFK3	0.65			
IFK4	0.69			
IFK5	0.75			
IFK6	0.71			
IFK7	0.73			
<i>Islamic Financial Awareness</i>		0.70	0.54	0.70
IFAW1	0.83			
IFAW2	0.63			
<i>Islamic Financial Behavior</i>		0.76	0.52	0.77
IFB1	0.74			
IFB2	0.68			
IFB3	0.75			
<b>Note(s):</b> FL (factor loading), $\alpha$ (Cronbach's alpha), AVE (average variance extracted), and CR (composite reliability)				

**Table 3***Analysis Results of Mediation*

<b>Causal nexus</b>	<b>Beta</b>	<b>P</b>	<b>ULCI</b>	<b>LLCI</b>
H <sub>1</sub> Islamic Financial Attitude to Knowledge	0.550*	0.002	0.618	0.482
H <sub>2</sub> Islamic Financial Knowledge to Behavior	0.405*	0.000	0.566	0.244
H <sub>3</sub> Islamic Financial Attitude to Behavior	0.222*	0.000	0.362	0.081
H <sub>4</sub> Islamic Financial Attitude to Knowledge to Behavior	0.223*	0.000	0.341	0.112
<b>Note(s):</b> * $p < 0.01$				

**Analysis of Moderated**

This analysis was fulfilled through model 7 of the process with 5.000 bootstrapping iterations and a 95% confidence interval, as recommended by Hayes (2018). Consequences clarified an important nexus term 1 between Islamic financial attitude and awareness (Beta = 0.108, ULCI = 0.170, LLCI = 0.046). The conditional indirect effect of Islamic financial awareness on the nexus of Islamic financial attitude and behaviour through knowledge is important high (Beta = 0.113, ULCI = 0.236, LLCI = 0.061) and middle values (Beta = 0.102, ULCI = 0.362, LLCI = 0.081). Increasing the moderator's values in Table 4 causes the effect size to increase and thus appears to support hypothesis 5.

**Table 4***Results of Moderated*

	Causal nexus	Affect	ULCI	LLCI
Hypothesis 5	Int_1(x * w)	0.223	0.341	0.112
Provisory indirect affects of X on Y at various values of moderator				
(Islamic Financial Awareness)	Affect		ULCI	LLCI
		0.113	0.236	0.061
		0.102	0.362	0.081

**Results and Discussion**

This study aims to determine the Islamic financial behaviour of young people in the context of Islamic financial literacy. The results highlighted a significant positive influence on attitudes towards Islamic financial and knowledge of Islamic financial as demonstrated in hypothesis 1 of this study. This situation is illuminated

by the TRA and TPB models (Taib et al., 2008). Atkinson and Messy (2012) suggest that financial knowledge includes attitude, behaviour and knowledge related to finance. Therefore, financial knowledge is essential for financial well-being as long as it translates into attitudes. However, most studies on young people related to IFL show that the level of financial knowledge is low. (Norvilitis et al., 2006). Low financial knowledge can lead to inadequate financial management (Warwick & Mansfield, 2000).

Hypothesis 2 proves that Islamic financial knowledge significantly and positively influences behaviour. The results of Christiany's (2021) study are consistent with these findings. Similarly, Lusardi et al. (2009) found a positive nexus between behaviour and knowledge. As Parker et al. (2012) found, financial knowledge contributed to individual investment, use of financial services and awareness.

Hypothesis 3 states that attitude towards Islamic financial significantly and positively influences Islamic financial behaviour. Although this model is similar to the TPB (Ajzen & Madden, 1986), it has been improved as a different model (Lechner, 1998). Attitude toward a particular behaviour can be viewed as the collective sum of all expected outcomes that a person expects to achieve by engaging in that behaviour (Husin & Rahman, 2016). As Fünfgeld & Wang (2009) found, financial attitudes have an influence on financial behaviour. Fears, interests, financial problems, savings needs and decision-making style play an important role. For instance, the main motivation for a person's interest in using Islamic financial instruments could be their conviction or competence in performing this behaviour. The nexus between Islamic financial attitudes and behaviour may not be valid on its own. As Mountain et al. (2021) found, financial knowledge plays a mediating role in young people's financial behaviour, Ghosal et al. (2022) also emphasized the mediating role of financial knowledge. Hypothesis 4 thus states that Islamic financial knowledge mediates the nexus between Islamic financial attitudes and behaviour. Islamic financial behaviour is likely influenced by an individual's level of Islamic financial knowledge. Similarly, a lack of financial attitude may lead to less desirable financial behaviour.

Hypothesis 5 highlights that Islamic financial awareness moderates the mediated nexus between Islamic financial attitude and behaviour through Islamic financial knowledge, such that the said nexus will be strong at high levels of Islamic financial awareness. PBC has mixed predictors, such as awareness and knowledge, which are in line with financial decision-making (Oladapo et al., 2019). As Raut (2020) states, awareness of financial information is important for individuals to

make financial decisions. Imaeva et al. (2014) investigated the level of awareness of insurance instruments among the Russian population. The survey results show that, on average, more than 12% of respondents are unaware of the insurance instruments available on the market. The study emphasized the importance of the awareness factor and its mediating effect.

### Summarized Conclusion

The significance of this study lies in the attempt to create a model to measure the financial behaviour of young people in accordance with Islamic financial attitudes and Islamic financial literacy. The field of finance is quite vast and includes banking, insurance, money management, investment, and much more. Defining what IFL means has become more challenging. Therefore, it is more challenging to come up with a single definition or develop a scale that is suitable for all fields. Thus, it is better to be specific. In this study, attitude, knowledge and behaviour related to Islamic finance (Atkinson & Messy, 2012) along with awareness of Islamic financial, which has a regulating effect on these components, were examined within the framework of Islamic financial literacy, forming four components.

When analyzing the present study, which was conducted with young people aged 18-35 years, five basic results were identified using the TRA and TPB models. First, a positive direct relationship was found between Islamic financial attitudes and financial knowledge. These findings, as in the studies by Nguyen (2013), Lusardi and Scheresberg (2013) and Yates & Ward (2011), showed the importance of financial knowledge for financial literacy.

Secondly, a positive relationship was found between Islamic financial knowledge and financial behavior. This result suggests the importance of monetary issues (e.g., budgeting, financial planning) for financial behavior (Zakaria et al., 2012; Ahmad et al., 2016).

Third, a positive relationship was found between attitude towards Islamic financial and behavior. Thus, it seems that the attitude factor has an impact on financial behavior and tendencies. The result obtained is supported by study findings in the literature (Amin et al., 2011; Warsame & Ileri, 2016; Jorgensen et al., 2017).

Fourth, Islamic financial knowledge mediates the relationship between financial attitudes and behavior. Thus, both a direct effect of financial attitudes on financial behavior and an indirect effect using financial knowledge were found. These results are consistent with those of Mountain et al. (2021) and Ghosal et al. (2022).



Fifth, Islamic financial awareness has an impact on financial behavior by playing a regulating role in the relationship between financial attitude and financial knowledge. Therefore, Islamic financial awareness has a moderating role. Various studies on Islamic financial knowledge have shown the importance of awareness (Kaabachi & Obeid, 2016; Aziz et al., 2017; Indana & Pambekti, 2022).

In addition, this study revealed that the levels of Islamic financial knowledge and Islamic financial awareness among young people aged 18-35 are low because the mean score of the responses to the questions about Islamic financial knowledge is 3.778. This result reflects that young people do not have a high level of knowledge about Islamic finance. Moreover, the mean of the answers to the questions on Islamic financial awareness is 3.486. Thus, young people's awareness of Islamic finance is lower than their level of financial knowledge.

### **Implications and Further Research**

In the framework of the results obtained from the analysis of this study, some policy recommendations can be made for both the regulating and mediating factors in the research model.

Regarding the regulatory effect (Islamic financial awareness), especially policymakers, the Association of Turkish Participation Banks and regulators should be able to increase the IFL of young people both in traditional media (e.g., TV and radio) and social media (e.g., Facebook, X, Instagram and YouTube). It should raise awareness and promote activities, such as TV series, movies and advertisements using social media. To raise awareness among young people, more use should therefore be made of both mass media and virtual media. To this end, more investment should be made in advertising and promotion. Islamic banks in particular have a great responsibility here. This is because these banks can easily introduce and explain the concepts and principles of Islamic finance to young people and even the general society by developing various advertising campaigns. This can also help the banks operating in Islamic finance to increase their potential customer volume by developing a good marketing strategy.

Regarding the mediating effect (Islamic financial knowledge), to increase financial knowledge, the services offered by banks operating in the Islamic banking sector in Turkey can be diversified, and banks can provide IFL training in universities, secondary educational institutions, and even elementary schools as part of financial education. In addition, IFL can be included in the orientation training for university students at the beginning of the academic year. Over time, IFL could even be included in public school

curricula. In this way, Islamic financial knowledge can gain continuity. To summarize, people, especially youth, should embrace IFL as a culture, and awareness should be raised about what IFL is, what it entails, and how it works in practice. This can strengthen the intention to adopt Islamic finance.

Although the research model is significant, it also has some limitations. The first limitation is that the study sample consists of young people, which leads to a limited sample for determining the measurement model. Second, the findings on Islamic financial behaviour are not a guarantee of the behaviour of individuals outside the analysed sample. Third, further studies could examine other antecedents that might influence Islamic financial behaviour. TRA and TPB can be used for other studies in the field of IFL. In addition, a comparison between countries can be made by including young people from different countries in the analysis.

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