The Impact of Culture and Personality Traits on Financial Literacy

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Abstract

This research study investigates the influence of culture and personality traits on financial literacy, employing the Hofstede Cultural Dimensions framework and the big five personality traits as theoretical foundations. Specifically, the research aims to analyze the impact of cultural aspects of Indulgence, Long-Term Orientation, and Uncertainty Avoidance, alongside the personality traits of openness and conscientiousness, on various dimensions of financial literacy. Utilizing structural equation modelling analysis, the study reveals that that culture had an insignificant direct impact on individuals' financial literacy, while showing its significant indirect influence through mediating factors, such as personality traits. In contrast, personality traits, exhibited a significant and positive influence on financial literacy. The study underscores the need for a multifaceted approach to enhancing financial education, addressing both direct and indirect factors, which is likely to be more effective in promoting financial literacy among individuals.

Keywords: culture, Hofstede Cultural Dimensions, personality traits, financial literacy

1. INTRODUCTION

In today's fast-paced and interconnected global economy, financial literacy has become a critical skill for individuals to effectively manage personal finances, navigate economic uncertainties, and make informed investment decisions. Its significance extends beyond individuals, affecting households and national economies alike. Numerous studies emphasize the positive link between financial literacy and broader economic development. For instance, research by Pașa, Picatoste, & Gherghina (2022) demonstrated a strong correlation between financial literacy and economic growth across several South Eastern European countries. Similarly, Rusminingsih & Damayanti (2022) highlighted financial literacy's contribution to human capital development and economic improvement in Thailand. Furthermore, Davoli & Rodríguez-Planas (2021) concluded that financial literacy supports sound financial decision-making and promotes healthy risk-taking, both of which are crucial for sustainable economic development.

The urgency of financial literacy has been magnified in the wake of ongoing financial innovations, including the rise of online banking, digital wallets, and virtual currencies. As these technologies become more widespread, individuals must develop the ability to manage their finances independently and safely. This has

become particularly vital in the post-COVID-19 era, where economic disruptions and rising inflation have deepened financial vulnerability. According to Pew Research Center (Desilver, 2022), inflation continues to surge globally, requiring individuals to make more prudent financial decisions. Yet, despite increasing digital access and education programs, financial inclusion remains a challenge. The Global Findex Database (Demirgüç-Kunt, Klapper, Singer, & Ansar, 2021) reveals that 1.4 billion adults worldwide, especially in developing countries like Indonesia, India, and Nigeria remain unbanked.

While financial literacy initiatives are expanding, past research has mostly emphasized economic and demographic factors such as income, education, savings behavior, and debt levels (Lusardi, 2019; Wagner, 2019; Widjaja et al., 2020). Financial literacy is often treated as a dependent variable to measure economic outcomes like entrepreneurship or investment performance (Deuflhard et al., 2019; Abad-Segura & González-Zamar, 2019; Clichici & Moagăr-Poladian, 2022). However, this narrow lens overlooks two increasingly relevant elements: culture and personality traits—which may shape financial behavior in subtle but significant ways.

Recent scholarship has begun to recognize that cultural background plays a crucial role in financial understanding and behavior. Studies have examined how Hofstede's cultural dimensions such as long-term orientation, uncertainty avoidance, and indulgence impact people's financial decision-making (De Beckker et al., 2020; Ahunov & Van Hove, 2020). Additionally, there is a growing body of literature suggesting that personality traits, particularly those outlined in the Big Five model, openness, conscientiousness, extraversion, agreeableness, and neuroticism are associated with financial attitudes and habits (Sadiq & Khan, 2019; Ahmad et al., 2020; Fenton-O'Creevy & Furnham, 2020).

While both culture and personality traits have been studied separately in relation to financial outcomes, limited research has explored how the two jointly affect financial literacy. This study seeks to fill that gap by examining the combined influence of specific cultural dimensions and personality traits on financial literacy in the Indonesian context. Cultural and psychological differences may influence individuals' approaches to saving, spending, and investing. Hence, understanding these relationships can help create more effective financial education programs tailored to diverse populations.

This research employs Hofstede's cultural dimensions focusing on indulgence, long-term orientation, and uncertainty avoidance alongside two Big Five personality traits: openness and conscientiousness. Financial literacy, in this study, is evaluated through four dimensions: financial knowledge, financial skills, financial attitudes, and financial behavior. By examining these variables and their relationships, the study aims to provide valuable insights that could enhance the design of financial education initiatives and support financial well-being at both the individual and societal levels.

The research problem is centered on determining the degree to which culture and personality traits influence financial literacy. Therefore, the study is guided by two primary research questions: How significant is the influence of culture on financial literacy? And how significant is the influence of personality traits on financial literacy?

To address these questions, the study sets two main objectives. First, it seeks to analyze the influence of the selected Hofstede cultural dimensions on financial literacy. Second, it aims to investigate the influence of openness and conscientiousness, two Big Five personality traits—on the same literacy components. The research is delimited by its geographic focus on Indonesian respondents, primarily in Jakarta and its surrounding areas, and its timeframe, which captures data between 2018 and 2021. Secondary data used are obtained from publicly available academic journals and publications.

The significance of this study lies in its potential to enrich both academic understanding and practical implementation of financial literacy education. By examining the intersection of culture and personality with financial literacy, this study contributes new perspectives to an area that remains underexplored. The findings may serve as a foundation for future research and offer guidance to policymakers, educators, and financial institutions aiming to promote inclusive financial learning strategies.

2. LITERATURE REVIEW

2.1 CULTURE

Culture is defined by Hofstede (2011) as the collective programming of the mind that distinguishes the members of one group from others. As a collective phenomenon, culture shapes individual behavior within professional and economic contexts, where accepted values and practices may differ across countries (Solomon, 2015). In this context, understanding cultural characteristics becomes essential, as culture influences institutional effectiveness (Gorodnichenko & Roland, 2021), economic development (Cho, 2019), and household financial behavior (Shostya & Banai, 2023).

Although culture has been linked to financial decision-making (Balasubramnian & Sargent, 2020; Goso et al., 2022), its direct impact on individual financial literacy remains underexplored. Some studies indicate that national culture influences financial literacy (De Beckker, De Witte, & Van Campenhout, 2020), while others suggest that cultural factors contribute to gender disparities in financial literacy (Rink et al., 2021; Rani & Goyal, 2021; Preston et al., 2023). However, these findings are often based on aggregated, cross-country data.

To examine culture's potential influence on financial literacy more specifically, this study adopts Hofstede's (2011) cultural dimensions framework, as applied in financial research (Nadler & Breuer, 2019; De Beckker et al., 2020; Goso, 2022). It focuses on three key dimensions: long-term orientation, indulgence, and uncertainty avoidance.

Long-term orientation reflects a society's pragmatic approach to the future and adaptability to change. Cultures with high long-term orientation, such as Indonesia, tend to value perseverance, caution, and sustained effort for future outcomes (Artina et al., 2020), often observed in how family-owned businesses plan for continuity across generations (Schepers et al., 2020).

Indulgence, on the other hand, relates to the degree to which societies allow gratification of desires and value happiness. High-indulgence societies emphasize freedom, optimism, and leisure, which influence behaviors such as risk-taking and online spending (Abdelrahim, 2021; Yıldırım et al., 2016).

Lastly, uncertainty avoidance refers to how societies manage ambiguity. Cultures with high uncertainty avoidance prefer rules and structure to reduce unpredictability, often reacting emotionally under stress. Conversely, low uncertainty avoidance cultures are more tolerant of differing views and adaptable to change (Dass & Vinnakota, 2019; Hofstede, 2011; Mind Tools Ltd, 2021). These three dimensions are used in this study to assess their influence on individuals' financial literacy, providing a culturally grounded lens to understand financial behavior and decision-making.

2.2 PERSONALITY TRAITS

Personality is defined as the unique set of thoughts, emotions, and behaviors that differentiate individuals, forming a stable psychological structure that influences how people perceive and interact with the world (Diener & Lucas, 2019; Cherry, 2023). These enduring patterns, known as personality traits, have been widely studied in various fields, including economics and finance.

Research has shown that certain personality traits significantly impact entrepreneurial behavior (Tian, 2021) and urban economic growth, particularly when traits such as neuroticism and conscientiousness are geographically concentrated (Garretsen et al., 2019). In the financial domain, traits like conscientiousness, agreeableness, and openness have been associated with positive financial behaviors such as saving and investing (Gökhan & Mutlu, 2019). Moreover, personality traits also influence financial risk tolerance and indirectly predict household financial behavior (Pinjisakikool, 2018). Despite these findings, the direct impact of personality traits on overall financial literacy remains relatively unexplored.

This study adopts the Five-Factor Model, also known as the Big Five personality traits (Diener & Lucas, 2019), which includes openness, conscientiousness, extraversion, agreeableness, and neuroticism. However, it focuses on two specific traits: openness and conscientiousness, due to their relevance in financial behavior.

Openness is characterized by curiosity, imagination, and a willingness to explore new experiences. Individuals high in openness are intellectually curious, appreciate diversity, and are eager to learn and engage with novel ideas (Diener & Lucas, 2019; Cherry, 2023). They tend to be imaginative and open to different values and beliefs, while those with low openness typically favor tradition, show limited interest, and struggle with abstract thinking (Silvia & Christensen, 2020).

Conscientiousness, meanwhile, reflects traits such as organization, responsibility, diligence, and self-discipline. Highly conscientious individuals are reliable, goal-oriented, and show effective impulse control, which translates into better performance in academic, professional, and financial settings (Diener & Lucas, 2019; Cherry, 2023). They are often punctual, structured, and proactive, whereas low scorers in conscientiousness are more disorganized, careless, and prone to procrastination (Topino et al., 2021). By focusing on these two traits, the study aims to examine how personality characteristics influence financial literacy across knowledge, attitudes, behavior, and skills.

2.3 FINANCIAL LITERACY

The term financial literacy was first introduced in 1992 in a report commissioned by NatWest Bank, where it was defined as the ability to make informed judgments and effective decisions regarding money management (Noctor, Stoney, & Stradling, 1992). Since then, its definition has evolved, encompassing knowledge of financial products, understanding of economic concepts, mathematical skills for decision-making, and the ability to plan finances effectively (Hastings, Madrian, & Skimmyhorn, 2012; Swiecka, 2019).

International bodies such as the OECD and INFE have endorsed a globally accepted definition, which includes awareness, knowledge, skills, attitudes, and behavior necessary for sound financial decision-making and improved financial well-being (Swiecka, 2019; Lusardi, 2019). According to PISA (2019), financial literacy also involves understanding risks and having the motivation and confidence to apply financial knowledge in real-life situations.

This study adopts the framework developed by Pavković, Andelinovic, & Misevic (2018) and Swiecka (2019), which breaks financial literacy into four key components: financial knowledge, financial skills, financial attitudes, and financial behavior.

Financial knowledge involves understanding economic principles such as interest rates, inflation, and diversification. It includes conceptual knowledge (grasping basic financial ideas), procedural knowledge (such as budgeting or debt management), and applied knowledge—the ability to make decisions based on this understanding in real contexts (Swiecka, 2019).

Financial skills refer to the practical use of financial knowledge to make sound decisions. These skills include budgeting, investment analysis, financial planning, and the ability to navigate both expected and unexpected financial situations using critical thinking and problem-solving (Swiecka, 2019).

Financial attitudes represent one’s mindset and motivation toward applying financial knowledge and skills. Positive financial attitudes include a willingness to learn, openness to effective financial practices, receptiveness to feedback, and a proactive approach to achieving long-term financial well-being (Pavković, Andelinovic, & Misevic, 2018).

Financial behavior encompasses the actual financial actions individuals take—such as saving, spending, investing, or borrowing. It reflects the integration of knowledge, skills, and attitudes into daily financial decisions and is influenced by personal values, cultural norms, and socioeconomic context (Swiecka, 2019). Responsible financial behavior is key to achieving long-term financial stability.

2.4 PREVIOUS STUDIES

Numerous studies have investigated the influence of cultural dimensions and personality traits on financial literacy and financial behavior. De Beckker, De Witte, & Van Campenhout (2020) examined the relationship between Hofstede’s cultural dimensions and financial literacy using cross-country OECD/INFE data. They found that indulgence and long-term orientation have a significant positive effect on financial literacy, suggesting that national culture plays a key role in shaping financial competencies. Similarly, Ahunov & Van Hove (2020) emphasized that culture impacts financial decision-making and behavior across countries, with uncertainty avoidance being particularly influential.

Goso, Alam, Amar, & Munizu (2022) explored the effect of Hofstede's cultural dimensions on Generation Z's financial literacy in Makassar, Indonesia. Their findings reinforced the significance of long-term orientation and uncertainty avoidance in influencing financial behavior, supporting the relevance of these dimensions in the Indonesian context.

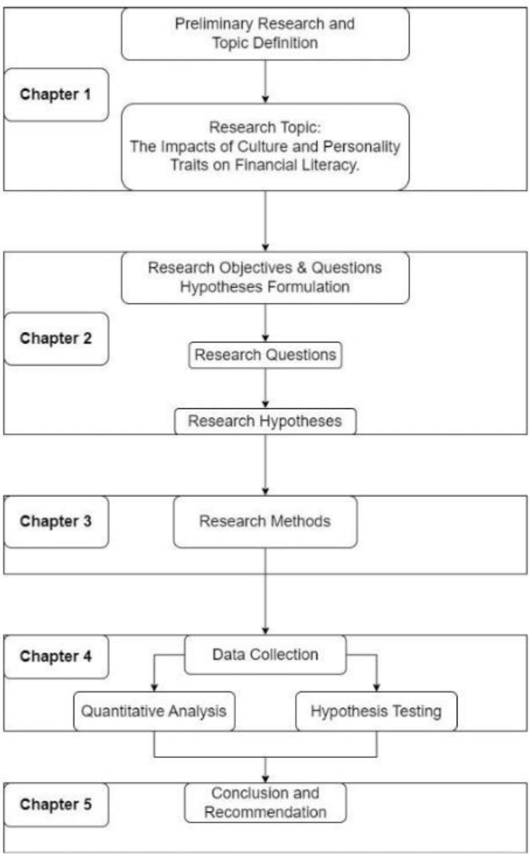
In terms of psychological factors, Pinjisakikool (2018) studied the Big Five personality traits in relation to financial behavior and found that conscientiousness, agreeableness, and openness significantly predict positive financial actions. Gökhan & Mutlu (2019) further confirmed that individuals high in conscientiousness and openness are more likely to manage finances effectively, engage in long-term planning, and exhibit prudent financial behavior.

Fenton-O'Creevy & Furnham (2020) also highlighted that conscientiousness positively correlates with financial capability and well-being, while neuroticism tends to have a negative effect. Their study suggests that personality traits are important predictors of financial confidence and control. Additionally, Topino, Gori, & Svicher (2021) found that conscientiousness and openness are strongly associated with risk perception and decision-making behavior, implying that these traits contribute to more cautious and informed financial choices. This aligns with the rationale of the present study, which focuses specifically on openness and conscientiousness.

Although these studies provide valuable insights, most tend to focus on either culture or personality traits in isolation. Very few integrate both cultural and psychological dimensions in relation to financial literacy. Furthermore, prior research often examines financial literacy in general terms without breaking it down into its components knowledge, skills, attitudes, and behavior. This study aims to bridge that gap by simultaneously exploring the role of specific cultural dimensions and personality traits on the multidimensional construct of financial literacy.

3. METHODOLOGY

This research employed a quantitative, descriptive-correlational design to examine the influence of culture and personality traits on financial literacy. The study used a survey method for data collection, with structured statements measured on a five-point Likert scale ranging from "strongly disagree" to "strongly agree." Respondents were asked to answer based on their perceptions and experiences. The entire research process starting from identifying the problem, formulating hypotheses, collecting data, and performing analysis. Even though the research uses quantitative methods, a qualitative approach is also necessary to obtain more accurate results (Afera, 2023).



The target population consisted of individuals with work experience across several regions in Indonesia. To ensure sample adequacy, the Raosoft sample size calculator was used, with a 90% confidence level and 5% margin of error. The minimum sample size required was 267, although the final number of respondents exceeded this threshold. The sample was selected using purposive sampling, targeting those aged between 17 and 35 years.

The questionnaire was divided into three sections: (1) demographic information, (2) indicators for culture and personality traits, and (3) indicators for financial literacy. Instruments were adapted from well-established sources: cultural dimensions from Hofstede (2011), personality traits based on John & Srivastava's Big Five model, and financial literacy measures from Swiecka (2019). Each construct was operationalized through dimensions as shown in the table below.

Table 1. Questionnaire's research questions

Figure 1. Research process illustration

Variable	Subvariable (Indicators)	Statements	Responses 1	2	3	4	5
1. Hofstede Cultural Dimensions	1. Long-Term Orientation	1. I live in a society where people generally embrace cultural changes more rather than maintain time-honored traditions and norms.					
		2. I live in a society that generally embraces and adapts well to new technology and innovations.					
	2. Uncertainty Avoidance	1. I live in a society that generally likes to avoid uncertain circumstances that can cause anxiety and prefer a more conservative and organized approach.					
		2. I live in a society that generally prefers to stay at a stable job rather than having to start a business with many uncertainties and risks of failure.					
	3. Indulgence	1. I live in a society where people rarely think or talk about work when on holiday.					
		2. I live in a society where people enjoy leisure time and like to spend a lot of money and time having fun.					

Variable	Subvariable (Indicators)	Statements	Responses 1	2	3	4	5
2. Personality Traits	1. Openness	1. Personally, I enjoy learning new values, practices, and cultures from abroad to broaden my knowledge.					
		2. Personally, I am curious about new ideas and technologies and would like to explore them more.					
	2. Conscientiousness	1. Personally, I am very organized and disciplined in everything that I do.					
		2. Personally, I am very punctual for every appointment and hate people who come late.					
3. Financial Literacy	1. Financial Knowledge	1. I understand basic financial concepts like inflation, the time value of money, and interest rates.					
		2. I understand the functions of different financial institutions like banks, digital wallet providers, insurance, equity markets, and mutual funds.					
	2. Financial Skills	1. I am confident in using multiple digital applications (e.g., e-banking, e-wallet, etc.) to manage my finances.					
		2. I invest my money in various instruments and manage them well and confidently, even in challenging times.					
	3. Financial Attitudes	1. I am consistently learning more about how to properly save and invest my money to					

Variable	Subvariable (Indicators)	Statements	Responses 1	2	3	4	5
		achieve financial well-being in the long run.					
		2. I am responsible and disciplined in how I spend my money.					
	4. Financial Behavior	1. I develop budgeting plans consistently to manage my savings and spending based on set priorities.					
		2. I am well aware of my risk tolerance and only invest in instruments that suit my risk tolerance.					

Data were collected using Google Forms and processed using Microsoft Excel, IBM SPSS version 25, and IBM AMOS version 26. The analysis involved descriptive statistics, validity and reliability testing, and hypothesis testing using multiple linear regression.

Instrument validity was assessed using the Kaiser-Meyer-Olkin (KMO) and Bartlett's Test, resulting in a KMO value of 0.926, indicating sampling adequacy and suitability for factor analysis. Bartlett's test showed a significance level of $p < 0.001$. Reliability analysis was conducted using Cronbach's Alpha, where all constructs met the acceptable threshold of > 0.50, indicating good internal consistency.

4. RESULT

Table 2. Case processing summary result

		N	%
Cases	Valid	300	100.0
	Excluded[a]	0	.0
	Total	300	100.0

A total of 300 valid responses were collected. Descriptive statistics were analyzed using IBM SPSS Statistics to assess the demographic distribution and central tendencies of each variable. The summary confirms that the dataset is complete with no missing values, ensuring robustness for further analysis.

Table 3. SPSS descriptive statistic 1

Descriptive Statistics

	N	Range	Minimum	Maximum	Mean	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
LT_Or	300	4.0	1.0	5.0	3.932	.0465
UN_Av	300	4.0	1.0	5.0	3.925	.0498
IND	300	4.0	1.0	5.0	3.943	.0460
OPEN	300	4.0	1.0	5.0	3.940	.0491
CONS	300	4.0	1.0	5.0	3.412	.0609
FI_Kn	300	4.0	1.0	5.0	3.333	.0613
FI_Sk	300	4.0	1.0	5.0	3.653	.0529
FI_At	300	4.0	1.0	5.0	3.635	.0529
FI_Be	300	3.5	1.5	5.0	3.363	.0627
Valid N (listwise)	300					

Table 4. SPSS descriptive statistic 2

	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
LT_Or	.8062	.650	-.596	.141	.424	.281
UN_Av	.8618	.743	-.804	.141	.925	.281
IND	.7962	.634	-.609	.141	.817	.281
OPEN	.8508	.724	-.804	.141	1.069	.281
CONS	1.0552	1.113	-.286	.141	-1.073	.281
FI_Kn	1.0611	1.126	-.185	.141	-1.200	.281
FI_Sk	.9161	.839	-.227	.141	-.764	.281
FI_At	.9158	.839	-.154	.141	-.862	.281
FI_Be	1.0864	1.180	-.078	.141	-1.342	.281
Valid N (listwise)						

The descriptive results reflect a balanced distribution of responses across indicators measuring culture, personality traits, and financial literacy dimensions. This supports the consistency and normality required for subsequent structural analysis.

Table 5. SPSS validity (KMO & Bartlett's) test result

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.926
Bartlett's Test of Sphericity	Approx. Chi-Square	2983.162
	df	36
	Sig.	.000

As shown in Table 13 above, the result obtained after running the test using IBM SPSS Statistics software is 0.926 or 92.6% Valid. This means that at least around 92.6% out of the 271 respondents that the author has attained were able to understand the questions that the author has given to them and answer the questions as the author initially expected. This result can be considered great as the result is much higher than the minimum limit: 0,50 or 50%. This number specifies considerable sampling adequacy, which was also expected prior to the research. Thus, the sampling was considered adequate for further testing.

Table 6. SPSS Reliability test result

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.960	.961	9

As shown in Table 14 above, the result obtained after running the test using IBM SPSS Statistics software is 0.961 or 96.1% reliable. The reliability statistics indicate that the data are deemed 96.1% reliable according to Cronbach's Alpha Based on standardized items, which means that 96.1% out of the 300 respondents are providing similar answers, regardless of the differences of respondents. This result can be considered great as the result is much higher than the minimum limit: 0,50 or 50%.

Table 7. Communalities test result

Communalities

	Initial	Extraction
LT_Or	1.000	.880
UN_Av	1.000	.857
IND	1.000	.884
OPEN	1.000	.964
CONS	1.000	.836
FI_Kn	1.000	.877
FI_Sk	1.000	.866
FI_At	1.000	.843
FI_Be	1.000	.894

Extraction Method: Principal Component Analysis.

According to Vogt (2005), communalities reflect the extent to which a variable's variance is explained by other variables, ranging from 0 (no shared variance) to 1 (fully shared variance). As shown in Table 15, all variables have high communalities above 80%, with Openness reaching the highest at 96.4%, indicating strong interrelations among the variables (Field, 2017).

Table 8. Standardized regression weights

			Estimate
FINANCIAL_LITERACY	<---	PERSONALITY_TRAITS	,834
FINANCIAL_LITERACY	<---	CULTURE	,389
IND	<---	CULTURE	,915
UN_Av	<---	CULTURE	,861
LT_Or	<---	CULTURE	,900
CONS	<---	PERSONALITY_TRAITS	,947
OPEN	<---	PERSONALITY_TRAITS	,763
FI_Kn	<---	FINANCIAL_LITERACY	,852
FI_Sk	<---	FINANCIAL_LITERACY	,886
FI_At	<---	FINANCIAL_LITERACY	,866
FI_Be	<---	FINANCIAL_LITERACY	,902

The standardized regression weights in Table 18 show strong correlations between variables and their indicators. Personality traits have the highest correlation with financial literacy (0.834), while culture has a weaker correlation (0.389). All indicators demonstrate strong explanatory power, with the lowest being Openness at 0.763—still highly significant. Other indicators range between 85% to 95%, with no negative correlations observed.

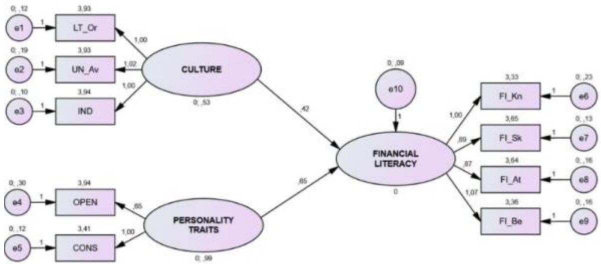


Figure 2. Unstandardized path diagram analysis test

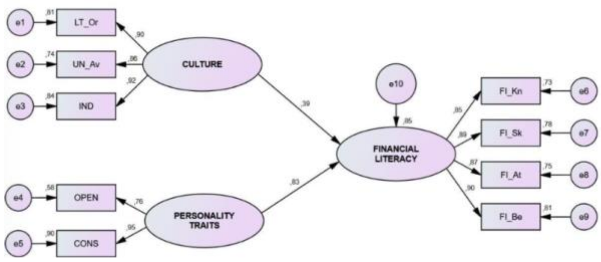


Figure 3. Standardized path diagram analysis test

The standardized path diagram shows strong loadings of Openness (0.76) and Conscientiousness (0.95) toward Personality Traits. Meanwhile, the cultural dimensions show lower loadings, particularly Indulgence and Long-Term Orientation.

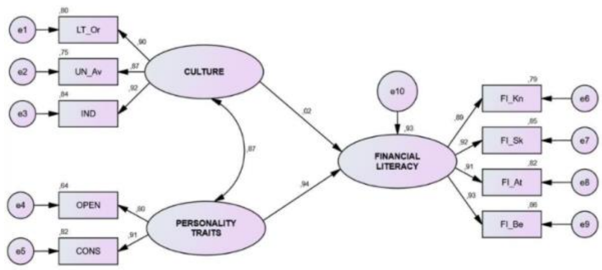


Figure 4. Path diagram analysis test alternative

Figure 4 presents an alternative path diagram showing a two-way correlation between culture and personality traits. The analysis reveals a strong positive correlation of 0.87, suggesting that while culture may not directly influence financial literacy, it could have a significant indirect effect through its strong relationship with personality traits.

Table 9. Hypothesis test 1

Variable			Unstandardized Estimate	Standardized Estimate	Note
Culture	→	Financial Literacy	0.42	0.39	Insignificant

The null hypothesis is accepted. Culture does not have a statistically significant direct influence on financial literacy. This finding suggests that cultural values alone may be insufficient in shaping individual financial capabilities.

Table 10. Hypothesis test 2

Variable			Unstandardized Estimate	Standardized Estimate	Note
Personality Traits	→	Financial Literacy	0.65	0.83	Significant

The hypothesis is supported. Personality traits, particularly openness and conscientiousness, significantly influence financial literacy. This finding emphasizes the importance of psychological characteristics over cultural background in predicting financial behaviors and knowledge.

Make sure you include details about your data analysis and interpretation, as well as statistical significance tests. Report the statistical insignificant research findings for your academic article's credibility. Use the past tense when describing to your research results.

5. CONCLUSION

This study investigated the impacts of culture and personality traits on financial literacy, focusing on selected dimensions from Hofstede's Cultural Framework and the Big Five Personality Traits. Based on the analysis, the research found that culture does not have a significant direct impact on individuals' financial literacy, as evidenced by a standardized path coefficient of 0.39. Although this indicates a weak direct relationship, further analysis suggests that culture may still play an important role indirectly. In particular, culture shows a strong positive correlation with personality traits, which in turn, have a significant and direct influence on financial literacy. Therefore, culture may influence financial literacy through mediating variables such as personality, education level, financial regulations, or gender roles.

On the other hand, personality traits specifically openness and conscientiousness demonstrated a strong and statistically significant effect on financial literacy, with a standardized coefficient of 0.83. These traits positively influenced all four components of financial literacy: financial knowledge, financial skills, financial attitudes, and financial behavior. The findings indicate that individuals with higher levels of these traits are more likely to demonstrate stronger financial competencies and make better financial decisions.

In light of these results, it can be concluded that enhancing financial literacy requires more than merely disseminating information. A multifaceted approach that considers not only individual knowledge and behavior but also deeper psychological and cultural aspects may be more effective in addressing financial literacy gaps. Promoting personality development, especially in the traits of openness and conscientiousness, could become a key strategy in improving financial outcomes across diverse populations.

Based on these findings, the study proposes several recommendations. For governments, it is crucial to create comprehensive financial literacy programs that are inclusive and culturally sensitive. Such programs should also integrate psychological development to encourage traits that support sound financial behavior. Policymakers are encouraged to pay special attention to marginalized communities, ensuring they receive tailored financial education that reflects their cultural realities.

For educational institutions and financial organizations, the recommendation is to design financial education materials that are not only informative but also relevant to the cultural backgrounds and learning styles of their target audiences. Collaboration with experts in the social sciences is also advised to ensure that these materials are effective across different cultural settings.

Individuals are encouraged to engage in continuous self-improvement by increasing their awareness of how their personality traits and cultural backgrounds influence their financial decisions. Lifelong learning through books, workshops, or online resources is suggested as a means to improve financial literacy over time.

Finally, for future researchers, it is recommended to further explore the indicators of culture and personality traits, as the current study employed a combination of constructs that are rarely studied together in this context. Future studies could include international samples and adopt longitudinal or cross-cultural designs to capture a broader and more dynamic understanding of how culture and personality jointly influence financial literacy.

Conclusions are made based on the results of research which is the answer to the research question. This template was created to standardize the writing of papers in the Liaison Journal of Best.

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