



Financial Literacy and Investment Outcomes: Insights from Sri Lankan Teachers

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Abstract

The study aims to investigate the impact of financial literacy on personal investment decisions among school teachers in Sri Lanka. A cross-sectional survey design was employed, with data gathered from 400 school teachers through a structured questionnaire. The study used a stratified random sampling technique to ensure representation from different regions and demographic groups. The questionnaire measured financial literacy across several dimensions, including knowledge of financial products, money management skills, and overall financial capabilities. Multiple regression analysis determined the relationships between these financial literacy dimensions and investment decision-making. The findings indicate that money management and financial skills significantly influence investment decisions, while knowledge of financial products and options plays a relatively minor role. The data suggest practical financial skills are more critical in shaping investment behaviour than theoretical financial knowledge. The study underscores the importance of developing targeted financial literacy programs that focus on building practical financial competencies, especially for school teachers who manage personal and professional financial responsibilities. From a theoretical standpoint, this research adds to the existing body of literature on financial literacy by examining its specific effects on investment outcomes in a developing country context, which is often underexplored. In practical terms, the study provides policymakers and educational institutions with insights for designing effective financial education programs tailored to educators. These programs can help improve teachers' financial decision-making, contributing to their financial stability and ability to guide students in making informed financial choices. Ultimately, this research emphasises the critical need for enhanced financial literacy to support better investment outcomes and overall financial well-being among school teachers in Sri Lanka.

Keywords: Financial Literacy, Financial Skills Teacher Education, Investment Decisions, Money Management,

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