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Provide a Financial Literacy Model in the Iranian Capital Market

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ABSTRACT

Financial literacy is the ability to use knowledge and skills to manage monetary decisions correctly and effectively. Given the growing importance of financial literacy and its tremendous impact on the financial well-being of individuals and households, unfortunately this issue has not been seriously considered in our country, and it seems that providing a suitable model to measure financial literacy in the country is a good starting point to do research in this field.

The purpose of this study is to present the concept of financial literacy and provide appropriate and comprehensive model using the Iranian financial experts' opinion in a qualitative manner upon a grounded theory approach. The required data were collected using theoretical saturation criteria and semi-structured interview technique by snowball sampling method through interviews with 20 experts and professors of accounting and finance. The research data were analyzed by open coding method which is specific to the contextual approach, and conceptual, main and macro categories were extracted and finally the conceptual model of financial literacy including causal (4 categories), contextual (4 categories), intervening (3 categories), strategic (3 categories) and consequential (3 categories) factors were presented

Keywords:

financial literacy, grounded theory, capital market

1. Introduction

The concept of financial literacy is one of the concepts that organizations and institutions deal with today. In general, financial literacy means having sufficient knowledge and understanding of financial concepts and methods available, as well as using this knowledge to solve financial problems in that organization. With enough financial literacy, you can easily think about your personal finances and before making a decision, consider all the available options and finally choose the best one.

In fact, having financial literacy leads to a good understanding of the theories and concepts in this field, in addition, this knowledge can be used in personal actions in the field of financial management in a practical way. Everyone needs to have enough knowledge about finance and take steps to strengthen his financial literacy. Otherwise, he can not perform well in the field of financial management. Because without financial literacy, the decisions that a person makes and the actions that he will take in line with those decisions are not appropriate and can not bring the necessary success (Hastings and Mitchell, 2020). Therefore, due to the complexity of financial markets, the development and expansion of the scope of activities of financial institutions and their relentless efforts to increase market share, the need to master financial literacy has become more important.

Financial literacy is an indicator of a person's level of understanding of key financial concepts, his ability and confidence in managing personal affairs through accurate and short-term financial decisions, long-term financial planning under changing economic conditions and living along with significant events.

Financial literacy in recent years has brought benefits to various groups, including governments, bankers, employers, various social groups, financial markets and other organizations, especially in developed countries. The importance of improving financial literacy has increased due to factors such as the development of new financial products, the complexity of financial instruments and markets, political changes, and economic factors.

Given the abundance of investment options and the expansion of marketing, this process is effective only when it is possible to choose from them using information and financial literacy. University education in finance and accounting and information provided by the public and private sectors, the Internet and financial education courses are among the sources of financial literacy (Remund, 2010).

Considering the current literature, no comprehensive research has been conducted about role and effectiveness of various economic, political, and social components on financial literacy have not been investigated to examine all these components simultaneously.

By examining the above-mentioned components, we can reveal the existing theoretical gaps in this field. In other words, there is a lack of resources and information, which requires for further research in this regard, and hence, by conducting this research, we can help enrich the existing literature. In addition, conducting research on financial literacy and its effectiveness makes it possible to gain a clear understanding of its role in making financial decisions and investment of individuals in society and to evaluate its share and effectiveness. Thus, due to the low knowledge of the academic community in this field and the lack of information resources, conducting this research can play a role in stirring and increasing information on this issue, which can pave the way for further research in the future.

Since this research is an incentive for triggering interest in further research, the results can be used by various researchers. The present study intends to study the role of different components in financial literacy and evaluate the importance of each component, hence the main question of the research can be posed as follows: What are the effective components on financial literacy in Iran? How important is each of these components?

To answer the reaseaerch questions, in the present article, first the concept of financial literacy is discussed and then the features and components of financial literacy are explored; then, previous studies in this field are reviewed and the results of interviews with experts and coding and extraction of factors are analyzed, and finally, the conclusion and summary are presented.

2. Theoretical background and review of literature

One of the important issues in Iran's economy is the issue of investment and its impact on achieving sustainable development goals. Investment in Iran is the main and general issue of the country's development programs. One of the important motives could be the problem of unemployment in the country, which is a major crisis in the country's economy, and with the development of investment, we can hope to deal with this great problem. Because investment increases national production and ultimately increases society's need for labor.

Another important issue to consider is the financial literacy of investors; people with higher financial perceptions manage their daily finances and long-term plans better. The capital market is very complex and is based on difficult and important decisions. Naturally, decision-makers must have good information. Investors who are decision makers in the field of economics must have a reasonable level of financial information and the ability to analyze the financial market, which shows the importance of financial literacy (Samsami, 2014). Today, due to the complexity of financial markets, development and expansion of the activity of financial institutions, and their relentless efforts to increase market share, the need to master financial literacy has become more important.

Financial literacy is defined by the Financial Education Research Foundation of the United Kingdom as follows: The ability to make informed judgments and make effective decisions in the use and management of monetary resources. Financial literacy includes the set of skills and perceptions needed to deal with day-to-day financial problems in the general economy, the proper application of which will lead to long-term financial well-being.

Financial literacy is the ability of individuals to obtain information, analyze and manage their personal financial situation in a way that affects their financial well-being and mental well-being (life satisfaction) (Moinuddin and Ezabadi, 2014). Financial literacy is an indicator of a person's level of understanding of key financial concepts, his ability and confidence in managing personal affairs through accurate and short-term financial decisions, long-term financial planning under changing economic conditions and living with significant events (Remund, 2010).

Individuals who can demonstrate the application of their learned financial knowledge are identified as financially literate. Financial literacy cannot be measured directly and proxies should be used. Literacy can be measured through practical experience and active knowledge integration. The more literate people become, the more financial insight they gain, and it may be perceived that they become more efficient (Amagir et al., 2020).

Due to more and more involvement in various financial aspects of social life, people are forced to acquire financial literacy. According to economists, in the theoretical free market, there is information symmetry; no player or market participant has the ability to set the price; everyone accepts the price; there is no barrier to entering or leaving the market, and there is equal access to production technology. Therefore, it can be said that the financial illiteracy of participants in a variety of markets, and in particular financial markets, violates the condition of information symmetry and can overshadow the performance of those markets. Therefore, the issue of financial literacy of current or potential participants is one of the main issues in the optimal performance and efficiency of financial markets.

Policymakers who, based on market economy theories, seek to develop financial markets should know in advance what the minimum level of financial literacy required for those who are to participate in the financial markets to achieve their goals should be; also they must have a proper assessment of the level of financial literacy of the participants in the financial markets. The Organization for Economic Cooperation and Development (OECD) notes on the importance of improving financial literacy:

"Financially trained clients are increasingly contributing to the efficiency of complex financial markets. The greater ability of such customers to evaluate and compare the risk-return characteristics of different financial products (plus their variable costs) offered by multiple financial intermediaries promotes competition in financial markets (Organization for Economic Cooperation and Development, 2005). The organization notes elsewhere:

"If people are not financially literate, they will not be able to choose the right savings or investment plan for themselves, and they may be at risk of fraud; but if people are financially educated, they will be more likely to save money and persuade financial service providers to develop products that better meet their needs. This has positive effects both on the level of investment and economic growth "(Organization for Economic Cooperation and Development, 2006).

Therefore, from the OECD perspective, financial literacy is one of the strategies that can be used to improve the economic security of individuals, improve competition and increase innovation in financial markets, improve the level of savings and investment and increase economic growth (Eslami Bidgoli and Karim Khani, 2016).

Given the above-mentioned points and the growing importance of issues related to financial literacy and its tremendous impact on the financial well-being of individuals and households, unfortunately this issue has not been seriously considered in the country and according to studies, measurement of financial literacy as well as education and promotion of related concepts has not even been considered in academic forums and academic research, while some developed countries have even prepared a subject for high schools under this heading and use all existing means including the Internet to increase personal finance.

It seems that the appropriate point to start research in this field is to provide a suitable model for financial literacy in the country. Because in our country there is no suitable model for this and without evaluation the current situation of financial literacy in the country, making any claim would be subjective and unsupported. In our country, despite the existence of financial literacy questionnaires that have been used in various applied research, there is no comprehensive questionnaire that addresses all aspects and components of financial literacy.

In various studies, the impact of different factors such as financial attitude, financial behavior, demographics, and culture on financial literacy has been measured, but no single model has been presented to measure the impact of all components and variables on financial literacy. It should be noted that due to the differences between the financial and economic structure of developed countries and Iran, the standard questionnaires to measure financial literacy in developed countries is not appropriately applicable in Iran. Therefore, the purpose of this study is to present the concept of financial literacy and provide appropriate and comprehensive instruments to measure it in Iran using the opinion of financial experts. Having financial literacy as basic information for choosing investments is one of the factors that can influence investment decisions.

Today, the implementation of various financial literacy training programs at various levels, including schools, companies, organizations and stock markets, has become an urgency to increase the ability to manage and judge the personal financial issues of investors around the world. Therefore, it is necessary to investigate financial literacy and identify the factors that affect it. In this regard, we are looking for answers to these questions, what is the appropriate model for financial literacy? What components are suitable for developing a financial literacy model and how important is each component?

2.1. The need for financial literacy to invest

The emergence of new events or extensive changes in phenomena, in some cases, may lead to the formation of new concepts, or make previous concepts evolve and take on new forms and importance. In the present era, with the formation of a new type of economic and financial developments, it is necessary for people to have special knowledge and abilities to face the complexities that have arisen. In such a situation, despite the diversity, complexity and rapid developments in financial markets, having financial management skills and methods will be essential for collecting, analyzing and using financial information, and in a word, having financial literacy. Financial literacy is a set of knowledge about understanding financial affairs, which include the study of financial phenomena, the nature of laws and the relationships that govern it.

Lack of understanding of economics and financial affairs is a deterrent to stock ownership. The loss of welfare due to lack of participation in capital markets due to lack of financial literacy is very significant. It is clear that ignorant and illiterate financial investors will not be able to take full advantage of the financial market and make wise choices that will lead to efficient investment (Soekarno and Pranoto, 2020).

If people gain the ability to save money and grow money, their income will increase exponentially, which is created by strengthening five skills:

1) Cost control skill;
2) Budgeting skills;
3) Money saving skill;
4) Market investment skills (from real estate, stock exchange, gold, coins and currency, etc.);

5) Financing skills (using the opportunity to obtain loans and credits in the country's banking system) (Moazani et al., 2015).

The result of conscious investment with information and financial literacy is the creation of a kind of economy known as self-sufficient economy in which even low-income families with proper money management can join the flow of the economy and create a secure financial future for themselves. Thus, some people already have extra money to save or invest and are looking for investment opportunities. Besides, given the highly competitive banking industry in Iran, obtaining credit has become relatively easy.

All of the above factors have made the provision of financial literacy training an urgent need. Having financial literacy as basic information for choosing investments is one of the factors that can influence investment decisions. Today, the implementation of various financial literacy training programs at various levels, including schools, companies, organizations and stock markets, has become an urgency to increase the ability to manage and judge the personal financial issues of investors around the world. Therefore, it seems necessary to investigate the impact of financial literacy on investment decisions (Krische, 2019).

To expand the level of financial literacy of communities, the World Bank Group is working to strengthen financial literacy and education in various areas such as financial analysis, financial information development, combining financial literacy with financial technology approaches, and to study the comprehensive framework of financial literacy education and social support through economic strategy processes.

Also in Iran, Tehran Stock Exchange Organization uses the services of "Information and Exchange Services Company" to expand the financial literacy of investors. The company teaches financial literacy to investors and investment enthusiasts by holding general and specialized training courses in the field of capital markets and producing various educational packages in order to create a culture tailored to the needs of different age groups through stock market educational animations, radio plays, tutorials, etc. as well as holding specialized conferences and seminars (Amoozad Mahdiraji et al., 2020).

2.2. Theoretical background

In today's world, where financial decisions are increasingly becoming one of the most complex human behaviors, people need a wide range of skills and knowledge to make informed choices and manage their financial affairs. That is why financial literacy has come to the attention of governments around the world. Citizens who have a strong understanding of basic financial principles are more likely to make more informed choices. Financial knowledge can help consumers of all ages and levels of income to keep costs and debts under control. It can also help families gain discipline to save and invest (Dorrani et al., 2013).

The globalization and rapid development of the financial services sector are increasingly requiring consumers to make more complex financial decisions. This has increased the importance of financial literacy. However, in the field of consumer financial behavior, the lack of a precise definition of financial literacy has led to some confusion in the alternative use of financial literacy, financial knowledge and financial education in the literature. It is argued that financial literacy includes two main dimensions including financial knowledge. In other words, financial knowledge is an internal dimension of financial literacy. Thus, financial literacy can be defined as the ability to understand and use financial knowledge to make sound financial decisions. Financial literacy means "the ability to make informed judgments in real life and to make effective decisions about the use and management of money." In other words, financial literacy reflects the behavior and ability of households in personal financial management, a behavior that is made up of knowledge and skills gained from understanding the basic concept of financial issues. Also, a person who understands and practices finance and has the knowledge and skills to manage his or her financial affairs is considered literate (Lotto, 2020). Broadly, past empirical research on financial literacy falls into three categories:

First, studies that have examined financial literacy at the national level. Some of these studies have also examined various socio-economic and demographic factors that may explain the financial literacy and financial knowledge of individuals. Financial literacy is common in both developed and developing countries. Also, research has shown that financial literacy is very different in different age, ethnic and educational groups. In addition, previous studies have shown that women have a lower level of financial literacy than men (Koh, 2016).

The second group of empirical studies have examined whether financial literacy leads to financial decisions in terms of wealth management, savings and costs, retirement planning, loan and credit management, stock market participation, and demand for financial products. Overall, the results have shown that financial literacy contributes significantly to positive financial behavior.

Consumers with higher levels of financial literacy show higher savings and wealth planning, are more prepared for retirement, and tend to diversify their investments more than those with lower levels of financial literacy. Also, people with high financial literacy invest more in stock markets and buy financial products such as life insurance. In addition, a negative association is found between financial literacy and credit card debt, high-cost borrowing, and over-indebtedness (Lin et al., 2017).

The third section of the literature has examined the effects of financial education from curriculum implementation, curriculum development, and student assessment to the role of gender and personality in the process of financial literacy education. Studies have shown that financial literacy training improves consumers' financial behavior in terms of savings, costs, credit management and financial planning. Also, the literature shows that financial literacy training should start from childhood or as soon as possible. Despite the increasing literature on consumer financial literacy, the assisting mechanisms of financial literacy are largely overlooked (Sharif and Naghavi, 2020).

Owusu et al. (2019) showed that financial literacy can moderate the relationship between financial resources and corporate growth. With financial literacy, you can prepare daily sales records, manage working capital, and make the right financial investment decisions. Research by Engels et al. (2020) shows that people with more financial knowledge are more likely to detect fraud.

The results of Desiyanti & Kassim (2020) research show that financial literacy affects business performance and religiosity strengthens the relationship between financial literacy and business performance. Sharif et al. (2020) showed that financial literacy has a positive effect on the quality of life of customers. They considered the factors of financial literacy to be "quantitative thinking (in numbers), profitability, knowing the conditions of inflation, the time value of money, and the illusion of money."

Financial literacy covers basic knowledge about financial instruments such as savings, budgeting, investment and risk management (Rashid et al., 2020). Bank (2020) identified the factors of financial literacy in four categories of knowledge, skills, attitudes and behavior. Guaranti (2019) identified the factors of financial literacy in five indicators of awareness, knowledge, skills, attitudes and necessary behavior. Coskun et al. (2019) and Okicic (2020) considered financial literacy in three concepts: financial knowledge, financial attitude and financial behavior.

Financial literacy includes: saving behavior, purchasing behavior, long-term planning, short-term planning (Zulaihati et al., 2020).

Asbi et al. (2020) consider financial literacy as having information and skills in the following areas: inflation, taxation, diversification, savings patterns, debt management, market risk, longevity and health risk, property management, asset allocation strategy, adequate insurance coverage, bankruptcy, precise financial goals, liquidity risk, meetings with financial planners / consultants.

Characteristics of financially literate people according to Morgan and Long (2020) include: borrowing to cover living expenses, use of independent information or advice, informed decision making, long-term financial goal, financial caregiving, timely payment of debts, shopping planning, active savings, budgeting in personal life, income diversification, defining and diagnosing inflation, risk-taking, financial interest, considering the time value of money.

3. Research methodology

3.1. Research design

In terms of the dominant research paradigms, the present research is classified in the interpretive group, yet in terms of methodology, it is in the category of qualitative research in which "grounded theory" approach was used. Data sources in this strategy included interviews and documentation. Also, in this research, a field study was used to collect the required data, and hence (given the grounded theory approach), data collection and analysis procedures were performed simultaneously.

Interviews are a good way to gather data in grounded theory because interviews are based on daily experiences and live conversations, and interviewers have the opportunity to interview other people face-to-face in a particular situation. In this study, semi-structured interviews were used.

A semi-structured interview is an interview in which the questions are developed in advance and all respondents are asked the same questions, but they are free to respond in any way they want. Of course, the interview instruction does not provide the details of the interview, how they are expressed and arranged and these items are determined during the interview process.

To select the participants of the study, snowball sampling method was used in the study. That is, 20 accounting specialists and professors took part in interviews to collect the necessary data.

3.2. Research Questions

Given the main research question (what is the appropriate model for financial literacy in the Iranian capital market?), and assuming grounded theory paradigm, since the paradigm model includes categories, causal conditions, contextual conditions, intervening conditions, strategies and consequences, so the research questions revolve around the implementation of the paradigm model.

Due to the homogeneity of causal, contextual and intervening conditions, all three components have been considered as factors affecting financial literacy education. Thus, the research questions are presented as follows:

Question 1: What are the effective factors (causal, contextual and intervening) to financial literacy in the Iranian capital market?

Question 2: What are the cause-effect relationships between the factors affecting financial literacy?

Question 3: How to model the factors affecting financial literacy?

According to the research questions, data analysis, which is dedicated to describing the answers to the above questions, will be presented descriptively.

3.3 Data analysis procedures

Data analysis was performed according to the grounded theory approach during three coding steps. The first step was to find conceptual categories in data at the initial level of abstraction. The second step was to find connections between these categories, and the third step was to conceptualize and report on these connections at a higher level of abstraction.

Open coding: is part of the data analysis process and includes data shredding, comparison, conceptualization and categorization. Open coding is done in two stages: the first level coding that leads to the production of concepts and the second level coding that results in the creation of categories. For example, the concepts of "ethnicity, place of residence (urban / rural), social development, and migration" extracted from the interviews all fall into the category of social components of the family.

Axial coding: The process of linking categories is called axial coding. Because this coding is based on category, linking categories at the level of dimensions and characteristics of the paradigm. In axial coding, a solid form of relationship must be formed around the axis of the category. In axial coding the following categories must be identified:

Causal conditions: events, incidents and happenings that lead to the occurrence or spread of the phenomenon.

Phenomenon (main category): The central idea and thought, event, incident, or reality to which a series of action/interaction are directed to manage, or deal with, or to which a series of behaviors are related. In fact, this includes the core of the study (here, financial literacy in the Iranian capital market).

Context: A series of special features that indicate the phenomenon. The context represents a series of specific situations in which action / interaction strategies take place.

Intervening conditions: Structural conditions that belong to the phenomenon and affect action / interaction strategies, which facilitate or constrain strategies within a particular context.

Strategy: Action / interaction; Strategies developed to control, manage and deal with the phenomenon, under specific observed conditions.

Consequence: The result and outcome of action/interaction.

Selective coding: In this step, the categories must be related to each other to form a theory. In fact, after relating the categories to each other on a more abstract level, and a detailed explanation of each of the major categories in the form of a story line, a diagram is drawn that shows the relationship between the concepts and categories of research.

The key point at this stage, which is the basis for naming the final model "grounded theory", is the core category. The core category is a category that is related to other major categories and is frequently mentioned in the data; it should also be abstract enough to lead to the production of a theory.

3.4. Evaluation and validation of the financial literacy model

Without scientific accuracy, (quantitative or qualitative) research is worthless and loses its utility. In different researches, different criteria have been presented for evaluating qualitative researches, including researches based on grounded theory approach. In grounded theory approach, to validate the model and the results of the research, "data triangulation" and to control the subject's accountability and evaluation, "acceptability" criterion are used, which are briefly described below.

The two main criteria of validity and reliability for evaluating quantitative and qualitative research have constantly been proposed. However, Corbin and Strauss (2008) have opposed the use of these two criteria for qualitative research and have proposed the acceptability criterion. Acceptability means the extent to which the research findings reflect the experiences of participants, researchers, and readers in relation to the phenomenon under study. In order to evaluate the quality of research based on grounded theory (as well as other qualitative research), Corbin and Strauss have introduced 10 acceptability indicators based on which the present study was evaluated.

The subject's accountability or validity is a technique by which a researcher controls his or her assumptions with one or more informed individuals under review, and this technique is used to validate the researcher's interpretations. In this regard, in the present study, after analyzing the data obtained from the interviews by the triple coding method, in order to validate the research model, the variables extracted from the interviews and the results were presented to 9 experts who mainly considered the attached conceptual tags with the content of the data as appropriate and valid.

4. Analysis of findings

Data presentation in grounded theory approach can be performed in three possible ways: Diagrammatically, descriptively, and narratively or as a set of propositions (Cresswell, 2005). In this research, the created model was presented in two forms: first the financial literacy model was presented through a diagram and then the model was narrated and described. Data analysis was performed based on three stages of open, axial and selective coding.

Open coding: Open coding is an analytical process through which concepts are identified and their properties and dimensions are discovered in the data. At this stage, the data is broken down into separate sections and carefully examined for similarities and differences, and questions are asked about the phenomena that the data suggest (Corbin and Strauss, 2014). Open coding in this research is shown in Table 2.

Table 2. Open coding in the research study

	Component	Sub-component
Causal factors	Demographic components	Gender Age marital status Independence from family members Employment status Level of Education Level of education of parents Income
	Economic skills	Budget planning and management Smart financial decisions Skills to overcome financial crises Benefit from economic opportunities in life Avoiding facing fraudulent events Active savings
	Social components	Ethnicity

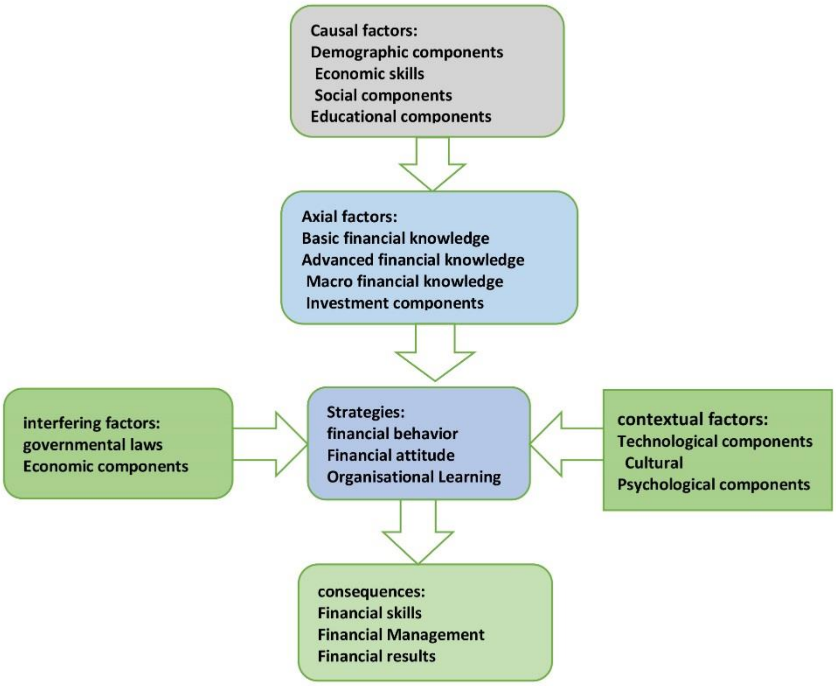
	Component	Sub-component
		Location (urban / rural) Social Development Migration
	Educational components	Field of Study Financial education Getting financial advice
Axial factors	Investment management	Long-term deposit of surplus funds Investing to maintain purchasing power in the face of inflation Securing investment of surplus funds in the short term Knowledge of Investment tools and techniques
	Basic financial knowledge	Basic knowledge of financial instruments such as savings, budgeting, investment Knowing the concept of money purchasing power, time value of money, individual financial accounting Having information in the fields of inflation, taxation, debt management, market risk
	Advanced financial knowledge	the basis of retirement pays, end-of-service bonuses for government employees, The effect of inflation on different strata, VAT, understanding people's financial planning on how to save Impact of targeted subsidies on how to save
Contextual factors	Psychological components	fear Happiness and anger High uncertainty Greed
	Technological components	Subscription to virtual channels or networks Following the news Duration of use of cyberspace
	cultural	Subsistence subculture Country’s education system Investor’s economic culture
Intervening factors	governmental laws	Fiscal and monetary policies Role of government and market failure Interest rate Tax policies New laws affecting money, inflation, etc.
	Economic components	Economic fluctuations Economic Growth The inflation rate The unemployment rate Market Structure Rate fluctuations of exchange, gold, etc.
Strategic factors	Financial behavior	Saving behavior, shopping behavior, long-term planning, short-term planning Borrowing to pay for living expenses, paying off debts on time
	Financial attitudes	Ability to manage financial affairs, interest in learning knowledge, Planning and implementing an investment or savings plan Having adequate insurance coverage positive, negative or neutral feelings about financial matters and issues
	Organisational Learning	Holding workshops and training seminars, Holding mid-term and long-term training courses Use of magazines, brochures, animations Inclusion in textbooks and course syllabus Doing extensive culture creation through national media Educating families to involve their children in financial decisions
consequences	Financial Skills	Income diversification Active and informed participation in the stock exchange Selecting investment funds with lower fees Borrowing at a reasonable interest rate

	Component	Sub-component
		Having a plan for retirement Financial stability
	Financial management	Making the right decisions in financial scenarios Doing the right investment working capital management
	Financial Results	Increasing the economic security of the individual and the family Strengthening the country's economic system Effective management of family and individual financial resources Increasing the level of well-being of the individual and society Operating financial goals Reducing family breakups due to economic issues Reducing business opportunities and scams at the community level

Axial coding: In this step, the grounded theorist selects an open coding step category and places it in the center of the process under consideration (as a central phenomenon), and then relates the other categories to it. The other categories include: causal conditions, strategies, contextual conditions, intervening conditions, and consequences.

This step involves drawing a diagram called a coding pattern. The coding pattern shows the relationships between causal conditions, strategies, contextual and intervening conditions, and consequences (Figure 1). The conceptual content of this diagram is obtained using Strauss and Corbin paradigm model as the basic approach in grounded theory. In this study, the model created to measure financial literacy in the Iranian capital market is as shown in Figure 1.

Selective coding: At this stage, the various conditions expressed in the axial coding stage are merged and a general analysis is performed, and for integration, theorems based on the paradigm model are used. In this research, six theorems based on a paradigm model are presented for the selective coding process.



5. Discussion and conclusion

Today, having financial literacy and studying it in order to further improve and advance organizational finance is one of the basic necessities of organizations and shareholders. The teview of literature has shown that so far no comprehensive research in this field has been conducted in our country and only a limited dimension in this field has been studied.

Therefore, the present research attempted to elucidate financial literacy and its effective components and then, using grounded theory approach, proposed a model for measurement of financial literacy in Iran.

Considering the results, the following suggestions are presented:

Given the effect of causal factors (including demographic components, economic skills, social components and educational components) on the level of financial literacy, it can be suggested that legislators and officials try to strengthen these skills at the community level. This is possible through extensive notification to increase public awareness through media such as radio and television and other tools and social media.

Also, considering the effect of axial factors (especially in the fields of basic knowledge and finance) on the model obtained, it is suggested that curriculum policy-makers and the Ministry of Science and Research should take the necessary actions to develop and include a syllabus at university level to offer optional and/or compulsory courses in this regard. In fact, implementation of a comprehensive reform in the current education system to strengthen the financial education and literacy is highly recommended.

Given the importance of financial literacy and the fact that not much research has been done on modeling and identifying the components affecting it, conducting research on the impact of various aspects of financial literacy on variables such as economic growth and development, capital market efficiency, financing decisions, risk management and other similar variables can be helpful. Also, an analogous study by geographical region can provide a better understanding of the specific features of each group in each region.

Limitations of the study are an inevitable part of the research process and this can provide a suitable setting for future research. In this vein, this study was no exception and during the implementation of the study, there were some limitations. The most important limitation of this study was related to data gathering tools, that is, the use of interviews and questionnaires that had their inherent limitations in the study.

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