Identifying the Components of Economic Awareness in Developing Countries: Turkey Sample

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Keywords
Economic awareness, developing countries, Turkey.

Abstract
The purpose of this study is to identify the components of economic awareness and evaluate the economic awareness levels of the individuals. For this purpose, the relationships between economic awareness and financial knowledge level, personality characteristics, subjective poverty perception, demographic features have been analyzed. The data acquired by survey method have initially been assessed via reliability analysis. Following this, different statistical analyses (correlation analysis, ANOVA, T-test, logistic regression etc.) have been utilized so as to be able to detect the relationships. The results gathered indicate that there is a strong relationship between economic awareness level and some personality characteristics and subjective poverty perception. Besides, it is seen that demographic features affect economic awareness level. Consequently, it is concluded that even if the financial knowledge level of the individuals is low, their economic awareness can be high and this feature is an intersection of individual characteristics.

1. Introduction

Economic awareness contains information about individual's income, expense, saving, investment and credit facility. Since individual's economic awareness is related with this, whether there is a relationship between economic data and progress or not will be tested. “Economic Awareness” is the mastery level of progress and data about economy that effects individual's economic factors.

Recently, the studies about financial literacy has been confused with economic awareness concept and the perception of financial knowledge level as economic awareness is thought as a general mistake. However, it is a common feature that individuals that constitute economic units (such as family economy and home economics) in especially developing countries don't have any financial knowledge parallel with the general knowledge level of the country. However, this situation doesn’t mean that mentioned individuals don’t take economic decisions and these

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decisions are not influenced by economic awareness level. Therefore, economic awareness level needs to dissent from financial or economic knowledge level. In this study aforementioned confusion has been tried to be prevented thereby especially using two varied question types.

2. Economic Awareness And Its Impacts On Economic Environment

Economic awareness is a process that provides; developing knowledge and perception about financial product and concepts, better notice on financial risks and financial opportunities via knowledge, guidance and objective suggestions, making preferences more consciously, knowing where to get help and doing all other active activities in order to increase financial prosperity (www.ekodialog.com, 20.03.2016).

In literature previous studies in the sense economic awareness were done under the title of financial literacy. However, Turkish Language Society defines the notion of awareness as a condition of awareness, in other words, behaving purposely and consciously on the subject that one tries to learn, informed about the thing that should be known or seen, and as a state of being aware of what and for what to do. For this reason, studies about economic awareness in especially in Turkey have not been analyzed deeply only under the title of financial literacy. This study is quite significant on the grounds that it is the first study in literature about financial awareness in Turkey. Since economic awareness is a state of awareness about what and for what to do, individuals’ having knowledge of economic activities, behaving purposely and consciously while taking financial decisions.

Recently in all over the world, demographical features, consumption patterns, production systems and social perception’s rapidly and constantly changing, due to both social and economic aspects economic awareness has become significant and taken place as one of the main components of economic models that is planned to be formed. Financial product have gradually becomes more complicated and new products have constantly arisen. Individuals can reach wide range of debt and investment instruments from banks’ internet branches, finder companies to public establishments via plenty of institution. Rising life expectancy have caused retirement plans to become important for developing countries as in developed countries. This situation calls forth more people’s involving in economic activities with more different roles rather than a consumer throughout working life. Selecting and managing investment instruments that will be used in interpretation of savings needs participating the system actively and this situation provides a basis for forming economic awareness. Consequently, individuals’ actively participating in financial markets have become an obligation.
Some of the individuals can have a chance of firstly investing in financial markets where investment products are constantly changing. Some of the individuals firstly invest in brand new regulations. Some others take out loan from the bank or sign a credit card contract. Some individuals open a bank account for the first time. Recently, savings in financial markets are among the abstruse subjects due to the features, variability and complication of the presented products with regard to credit and loan. This situation can be hard and depressing for the individuals with no or little knowledge of finance. Currently individuals in many countries take responsibilities while making financial decisions that belongs to themselves. While individuals take these decisions, they are not ready for the responsibilities decisions bring. Therefore, it can becomes necessary for individuals to be more educated on financial subjects.

www.ekodialog.com (20.03.2016) argues that raising the individuals’ financial awareness increases such abilities as;

- operation of the system and increasing knowledge level about financial institutions,
- managing the cash flow,
- being able to prepare a budget specifying sources and priorities,
- being able to constitute cash reserve for emergency situations,
- being able to evaluate obtaining credit and the choices in the process of credit,
- being able to evaluate the choices of execution and purchase in need of housing,
- managing by defining risks in financial sense and transfer if required,
- evaluating main investment tools in terms of risk and yield,
- managing individual pension account by planning period of retirement,
- taking security precautions in financial sense such unexpected situations as death, and disability.

While economic awareness contributes individuals living in public to increase financial consciousness level, it also helps them to make sensible financial decisions. This situation will contribute economy to develop in total. Demands of the individuals whose economic awareness increase and the needs that stem from these demands, affect the conditions of the economic system and take shape
according to these demands. Economies become developed and developing economies as a result of this knock on effect. Hence, in the period of 50 years it has come to light that resource adequacy is not the main factor that defines economies is not the resource adequacy but the awareness levels of the academic departments.

As seen financial crisis experienced in our country or around the world, there is a close relationship between economic awareness and financial stability. With increasing economic awareness level more efficient social security system will be adapted and with high saving rate it will affect positively investment and growing and provide economic development.

Rising economic awareness level will be provided most with financial education. Therefore, in recent years necessary arrangements have begun to be made about financial education in developing and developed countries. A member of international Network and Financial Education, INFE established in the name of Organization for Economic Co-Operation and Development (OECD), one of the pioneer institutions about financial education has done researches about this subject. Turkey was one of the 15 members of National Strategy on Financial Education subgroup in 2009. In 2011, the country attempted for the membership of Financial Inclusion and Task Force on Financial Consumer Protection.

### 2.1. Poverty and Subjective Poverty

It has been resorted to develop varied definitions in terms of varied approaches instead of just one definition for poverty in literature. For instance, while poverty has been defined differently in economic, demographic and social terms, such concepts as absolute, relative, subjective poverty have been developed with regards to the way individuals’ perception of poverty and the conditions they are in. However, Açıkgöz and Yusufoğlu (2012) state that in the most general sense poverty, not satisfying the needs necessary to reach minimum life conditions. When looked in the sense of social perception, the individuals who cannot satisfy their basic needs (food, clothing, shelter etc.) are accepted as poor.

Nevertheless, defining poverty as a state of not satisfying basic needs is deficient and narrow. In more broad sense poverty is a concept that includes deprivations in such areas as education, health and life expectancy. Besides, not integrating with society, being excluded from the society, and being exposed to discrimination directly associated subjects with poverty. Hence, it grows difficult to make a generally accepted definition for poverty. Therefore, it has been an obligation to resort varied poverty definitions.
Official statistics about poverty is done by Turkish Statistical Institute in our country. According to this, poverty is a state of not satisfying the basic needs of the people and it can be defined in two ways. While in narrow sense, it states that poverty is “starvation and a state of not having a shelter, in broad sense, poverty is being behind the general level of the society although food, clothing and shelter resources are enough to maintain living” (TÜİK, 2008: 32).

Poverty concept differs in terms of individuals and society. As measuring this concept which vary from person to person, time and place is done via different parameters in every country, it is not possible to reach a common definition of poverty (Taş and Özcan, 2012: 423).

The fact that the concept of poverty has got economic, psychological and social effects causes us to mention a multidimensional concept. Poverty that expresses a state of deprivation in satisfying basic human needs in the most classic sense, is subjected to basic differentiation that is done in the way of “absolute poverty” and “relative poverty” in world-wide aspect. Along with this differentiation in poverty definitions, there are such classifications as “Objective, Subjective Poverty”, “Chronic, Temporary Poverty”, “Income Poverty, Humanitarian Poverty”, “Rural, Urban poverty” (Yıldırım, 2011: 24-25).

This complicated structure of poverty which has economic, social and political dimensions causes poverty to be perceived differently in different periods and places in terms of varying wealth level (Doğan, 2014:6). Besides, it has become significant and essential to consider individual to experience poverty by adhering to social conditions. Since individuals compare themselves with individuals where they live, not with living standards of society anywhere in the world (Çelik, 2015: 5). Within this context, subjective poverty concept comes into prominence.

Subjective poverty expresses a state of having enough income to provide satisfaction level individuals and household see fit for themselves. As subjective poverty is equal with individuals defining themselves as poor by comparing themselves with other people where they live in society, subjective poverty is one of the assumptions in the scale we formed by aiming at researching the relationship between economic awareness and subjective poverty.

3. Literature Review

In the last quarter of the century, many researches have been done on financial literacy. However, studies done on economic awareness are quite limited. It has been revealed in most researches that financial literacy level is low. This result in case of using economic awareness level and financial literacy with same meaning in general, needs to defend the thesis that people with low economic awareness
level dominates in society. However, one of the main objectives of this study is to prove the hypothesis that financial literacy is the weakest constituent among the ones that determine the economic awareness level thereby revealing this difference. For this reason literature review has been done by separating the studies on financial literacy and economic awareness.

The most basic instance of empirical researches on financial literacy is Jacob et al.’s research (2000). The effects of financial products and developing technology on financial literacy was researched. In the study, it was detected that financial subjects became more complicated with gradually changing and being complex economic lives of typical American families. At the end of the research, it was seen that the ones who had lower income levels and immigrants who had lower financial literacy; recently expatriated ones having difficulty in using financial institutions. Besides, it was revealed that many immigrants had social and language problems.

Chen and Volpe (1998) served for three purposes by applying surveys to 924 university students to research individual financial literacy. First one of these purposes was to search individual financial literacy in university students; second one was to search why some of the university students were relatively more informed than the others; the third one was to search what the individualistically informed student considered while making decisions. At the end of the research, they found that they gave more correct answers to the questions about general knowledge, savings and loan, and that they were not aware of investment and insurance, and the participants who had non-identical ethnic backgrounds had different financial knowledge levels. They detected that foreign students had lower marks when compared to American students.

In the survey on financial literacy developed by Hilger and Hogarth (2003) they aimed at presenting a frame for consumers including questions about financial subjects such as cash flow management, credit management, saving and investment. At the end of the research, financial behavior variables of household were formed.

Lusardi and Mitchell (2006) applied surveys to 50 and over age group in order to measure financial literacy. So as to be able to get to know about investment behaviors of the household, the answers obtained from questions about interest rates, effects of inflation and variety of risks indicated that financial literacy rate was low at this group of age.

Mason and Wilson (2000) argued that financial literacy was needed for financial awareness to occur. They stated that financial literacy term in the researches was not a new concept. They searched this subject by seeking an answer to the
question of whether an individual who had no financial knowledge about financial issues could turn into a financial literate individual or not. As a result, they found definitions for financial literacy concept deficient and made suggestions. Financial literacy was assigned as focal point. Encouraging individuals for being financial literate was quite problematical and they concluded how individuals could be better financial literates and how financial literacy could be operational.

In the study of Atkinson (2015), which was done to define the young adults’ financial abilities in Bristol who were between 13 and 25, it was supported that financial abilities needed to be developed to raise financial literacy level and that this process was a learning curve.

In their study done on financial literacy, Braunstein and Welch (2002) revealed what financial literacy meant, how the financial educations, applications and politics should be and at the end of the research they suggested that financial literacy education should be given according to the conditions the individuals were in. Besides, they predicted that politics which could create equipped consumers could only be achieved by these financial educations.

In financial literature, it is hard to make a clear and strict distinction between economy and financial literature as economic terms are used while financial concepts are defined and measurements are made about these concepts.

Studies examined up to this point have made an inference about only financial literacy. However, another category on this subject consists of studies defining financial awareness as financial fund of knowledge (Kushnirovich, 2011). As it is intrinsically impossible to distinguish economic and financial activities, stating that economic and financial awareness are synonyms and they should contain the same activities will provide prevention a scientific error to occur. In conclusion, it will be truer to evaluate the examined studies as measuring financial economic levels. However, the fact that these studies measure economic awareness level according to just knowledge level shouldn’t be forgotten.

Ford and Kent (2010) developed a scale with three dimensions to measure financial awareness. The first dimension was about acquaintance with financial terms as price earnings ratio and fluctuation. Second dimension was about perception of market terms as Dow Jones Industrial Average Index and bearish market behavior. Third dimension contained awareness of existing market context by understanding conceptual factors as existing price levels, trends of various asset classes. As a result of the study, they detected that women had lower financial market awareness compared to men.
In the research that Guiso and Jappelli (2003) did in Italy on household about financial awareness, they searched how much knowledge was commonly used and how the probability of knowledge awareness of individuals who had financial assets affected from knowledge dissemination cost of investments. They concluded in the study that most of the investors were unaware of the equity shares and investment fund and social learning consciousness needed to be raised. As a result, the study reported that financial awareness was deficient and also awareness was positively affected from such demographic variables as age, education, income.

Most of the studies have revealed that there is a strong relationship between economic knowledge and behavior (Kushnirovich, 2011).

Habschick, Seidl and Evers (2007) supported that financially illiterate individuals’ consciously participating in economic life was quite hard. Even adapting to changes without being a financial literate, developing future plans would be more complicated, the thesis that financial literacy would be absolutely needed in order to abolish this complication was suggested. According to Kushnirovich, life cycle could have an impact on economic awareness, too. Thus, immigrants who were not involved in financial market showed lower awareness compared to people in population they immigrated to (Ford and Kent, 2010). Economic awareness of immigrants revealed how much they economically adapted the conditions of the country they migrated to and hereby contributed to their economic integration (Kushnirovich, 2011).

4. Research Hypothesis

The fundamental hypothesis of the study is “H1: There is a strong relationship between economic awareness and financial awareness”. The second important hypothesis is “H2: There is no relationship between economic awareness and financial awareness”. The other hypotheses formed in order to determine whether there are other components of economic awareness rather than financial awareness and financial literacy are as follows:

H3: There is a relationship between subjective poverty and economic awareness.

H4: There is a relationship between personal characteristics and economic awareness.

H5: There is a relationship between the individual’s demographic features and economic awareness.

H6: There is a relationship between cognitive ability and economic awareness.
4.1. Research Methodology

In the research, survey method is used as data collection method. The questionnaire form is composed of six sections. In the first section, there are five questions about the demographic features of the respondents such as gender, age, educational status.

In the second section, there are four questions about economic awareness as follows:

“Dollar rate last week ($)?”, “Rates per annum if I want to get a bank loan?” , “Stock exchange since last month?” , “Current deficit in 2015?”.

Following these four questions, these questions about financial literacy are asked:

“Current deficit?”, “What if foreign currency increases within the next six months?”, “What if there is an increase in interest rates?”, “The increase in the national dividend?”.

The next three questions are about subjective poverty: “In order for my income to meet my minimum necessities”, “So as to increase my present income”, “So as to be able to live in better conditions and be happier”. The participants who have given no accurate answers to these first eight questions and who have given only one accurate answer are considered as unaware, the ones who have given two accurate answers are considered as having medium level awareness, and the ones who have given three or four accurate answers are considered as having high awareness.

The question of “In order for my income to meet my minimum necessities” about subjective poverty is related with income per month and the participants whose income per month cannot meet their minimum necessities are considered as subjective poor, and the others are considered as happy. To the question of “So as to increase my present income” about subjective poverty, the ones who have answered “one, three or four” are evaluated as having subjective poverty. To the question of “So as to be able to live in better conditions and be happier” the participants who have answered “one” are evaluated as having subjective poverty. The ones having all these three questions are evaluated as having permanent and deep subjective poverty.

In the third section, the five questions asked in order to measure financial awareness are as follows:

“Let’s say that you have 1,000 TL in a savings account and rate per annum is 10%. If your capital is only left in the bank account every year, how much money do you earn at the end of five years?”
“Let’s say that you have 1.000 TL in a savings account and rate per annum is 20%. If we assume that you don’t take any of your capital and interest out of the bank, how much money do you earn at the end of five years?”

“Let’s say that the interest rate of your saving account is 10% and inflation rate is 20%. At the end of one year, how much can you purchase with the money you have saved in your account?”

“One of your close friends have had 10.000 TL today and his son will have an inheritance of 10.000 TL three years later from now. Because of the inheritance, who is richer?”

“Let’s say that in 2016, you will have the double salary of today and furniture prices are double as well. How much furniture can you purchase with the salary of 2016?”. The participants who have given three or more accurate answers to these questions about financial literacy are evaluated as aware, two or less answers are evaluated as unaware.

In the fourth sub title of the questionnaire form, there are the questions related to defining the risk preferences of the participants. The questions in this sub title are prepared by adapting from various resources, mainly from the studies of Frederick (2005) and Sezer (2013). In this section, possible earning games with response to certain earnings, and some possible loss preferences with response to certain loss are asked. The participants who have given six or more accurate answers are evaluated as no risk-takers. The ones who have given six or less answers are considered as risk takers.

In the fifth sub title of the questionnaire, Frederick’s (2005) Cognitive Reflection Test which is used to measure cognitive abilities is applied.

In the sixth sub title of the questionnaire, Eysenck Personality Test is used so as to analyze the participants’ neurotic psychotic liar and extrovert/introvert personality features.

5. Findings And Evaluation

In the analysis of the study, logistic regression model is used. In the nominal scale variable questionnaires, Discriminant Analysis or Logistic Regression model is used. In the questionnaire of the study, “economic awareness” which is used as the dependent variable is nominal. As these assumptions are not soughed in logistic regression model because the independent variable should have normal distribution in Discriminant Analysis, Logistic Regression Model is used in the study. The parameters in the study are estimated according to maximum likelihood method.
When the dependent variable binary as 0 and 1 or when it is a discrete variable including more than two levels, it can be used as a highly appropriate approach. Besides, due to the fact that logistic regression model is mathematically flexible and the comments of the findings gathered via this method is clear, the interest in this method increases (Tatıldil, 1996: 289).

For the prediction of which value will a binary dependent variable gain related with the independent variables, logistic regression analysis is used (Özdemir, 2013: 307). That’s why, the component affecting economic awareness in the study are used as independent variables.

The dependent and independent variables used in Logistic Regression Model are defined as follows:

<table>
<thead>
<tr>
<th>Y</th>
<th>Economic Awareness</th>
<th>1: Economic Aware, 2: Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>X_{1}</td>
<td>Gender</td>
<td>1: Male, 2: Female</td>
</tr>
<tr>
<td>X_{2}</td>
<td>Region</td>
<td>1: Central Anatolia, 2: Eastern Anatolia, 3: South East Anatolia, 4: Black Sea, 5: Mediterranean, 6: Aegean, 7: Marmara</td>
</tr>
<tr>
<td>X_{3}</td>
<td>Subjective Poverty</td>
<td>1: Subjective Poor, 2: Not</td>
</tr>
<tr>
<td>X_{4}</td>
<td>Financial Literacy</td>
<td>1: Financial Literate, 2: Financial Illiterate,</td>
</tr>
<tr>
<td>X_{5}</td>
<td>Financial Awareness</td>
<td>1: Having financial awareness, 2: Not having financial awareness</td>
</tr>
<tr>
<td>X_{6}</td>
<td>Risk Preference</td>
<td>1: Avoiding risk, 2: Loving risk</td>
</tr>
<tr>
<td>X_{7}</td>
<td>Cognitive Ability</td>
<td>1: Having cognitive ability, 2: Not having cognitive ability</td>
</tr>
<tr>
<td>X_{8}</td>
<td>Being Introvert/Extrovert</td>
<td>1: Extrovert 2: Introvert</td>
</tr>
<tr>
<td>X_{9}</td>
<td>Neurotics</td>
<td>1: Neurotic, 2: Normal</td>
</tr>
<tr>
<td>X_{10}</td>
<td>Psychotics</td>
<td>1: Psychotic, 2: Normal</td>
</tr>
</tbody>
</table>

In Logistic Regression Analysis, goodness of fit index (-2Log statistics) is used so as to test whether regression coefficients are meaningful or not (Kalaycı, 2006: 281). Goodness of fit index is calculated via the difference between -2 Log value which is calculated on the condition that there is a constant term in the model and -2 Log value which is calculated on the condition that there is no constant term in the model (Coşkun et al., 2004: 46). In order for the model to be a good one, -2Log value must be small. If -2Log value is of perfect fit, -2Log value must have 0 (zero) value (Akgül and Çevik, 2005: 398).

While, in the study, -2Log value of the model of constant term only is 116.019, -2Log value of the model of all independent variables is 87.787. Chi-square
statistics which belong to the model is 28.232, which is the difference between these two values. The result gathered (0.05 significance) is bigger than 18.30704, which is 10 degree of freedom Chi-square table value. Accordingly, it is concluded that $H_0$ hypothesis which is put forth according to the fact that all the independent variable coefficients in the model are 0 (zero) is rejected and regression coefficients are meaningful.

Cox and Snell $R^2$ and Nagelkerke $R^2$ statistics show the relation between the dependent and independent variable (Albayrak, 2006: 461). Cox and Snell $R^2$ value in the study is 0.19, Nagelkerke $R^2$ value is 0.32, which is in Table 1. The first ratio shows that there is a 19% and the second ratio shows that there is a 32% relationship between the dependent and independent variable.

**Table 1:** Cox and Snell $R^2$ and Nagelkerke $R^2$ Values

<table>
<thead>
<tr>
<th>Step</th>
<th>-2 Log likelihood</th>
<th>Cox &amp; Snell $R^2$ Square</th>
<th>Nagelkerke $R^2$ Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>87,787</td>
<td>0.19</td>
<td>0.32</td>
</tr>
</tbody>
</table>

Another test statistics which shows the fit of logistic regression model is Hosmer-Lemeshow statistics. The results of Hosmer-Lemeshow statistics is in Table 2. Hosmer-Lemeshow Chi-square value is 15.507, with an 8 degree of freedom. Because of the fact that the significance of $p$ value (7.040) is higher than 0.05, $H_0$ hypothesis which shows that logistic regression model fits the data is accepted.

**Table 2:** Hosmer and Lemeshow Test Results

<table>
<thead>
<tr>
<th>Step</th>
<th>Chi-square</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7,040</td>
<td>8</td>
<td>0.532</td>
</tr>
</tbody>
</table>

In Table 3, logistic regression coefficients, standard errors of the coefficients and the statistics used so as to test the significance of the coefficients of the constant term and independent variables in the logistic regression model.
Table 3: The Results of Logistic Regression Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Level</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
<th>95% C.I. for EXP(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender(1)</td>
<td>-2.180</td>
<td>.657</td>
<td>11.015</td>
<td>1</td>
<td>.001</td>
<td>.113</td>
<td>.031</td>
</tr>
<tr>
<td>Gender Region</td>
<td></td>
<td>.072</td>
<td>1.007</td>
<td>.005</td>
<td>1.943</td>
<td>1.075</td>
<td>.149</td>
</tr>
<tr>
<td>Gender Region(2)</td>
<td></td>
<td>21.076</td>
<td>22576.233</td>
<td>.000</td>
<td>1.999</td>
<td>1422814261.320</td>
<td>.000</td>
</tr>
<tr>
<td>Gender Region(3)</td>
<td></td>
<td>-1.040</td>
<td>1.398</td>
<td>.001</td>
<td>1.977</td>
<td>.961</td>
<td>.062</td>
</tr>
<tr>
<td>Gender Region(4)</td>
<td></td>
<td>20.225</td>
<td>12624.051</td>
<td>.000</td>
<td>1.999</td>
<td>607787431.305</td>
<td>.000</td>
</tr>
<tr>
<td>Gender Region(5)</td>
<td></td>
<td>.351</td>
<td>1.008</td>
<td>.149</td>
<td>1.699</td>
<td>1.420</td>
<td>.240</td>
</tr>
<tr>
<td>Gender Region(6)</td>
<td></td>
<td>.730</td>
<td>.884</td>
<td>.683</td>
<td>1.409</td>
<td>2.076</td>
<td>.367</td>
</tr>
<tr>
<td>Subjective Poverty(1)</td>
<td>-2.284</td>
<td>.630</td>
<td>.204</td>
<td>1</td>
<td>.652</td>
<td>.753</td>
<td>.219</td>
</tr>
<tr>
<td>Financial Awareness (1)</td>
<td>-1.408</td>
<td>.650</td>
<td>4.686</td>
<td>1</td>
<td>.030</td>
<td>.245</td>
<td>.068</td>
</tr>
<tr>
<td>Financial Literacy(1)</td>
<td>.351</td>
<td>.608</td>
<td>.333</td>
<td>1</td>
<td>.564</td>
<td>1.420</td>
<td>.432</td>
</tr>
<tr>
<td>Risk Preference(1)</td>
<td>-1.720</td>
<td>.740</td>
<td>.946</td>
<td>1</td>
<td>.331</td>
<td>.487</td>
<td>.114</td>
</tr>
<tr>
<td>Cognitive Competency(1)</td>
<td>.737</td>
<td>1.086</td>
<td>.461</td>
<td>1</td>
<td>.497</td>
<td>2.090</td>
<td>.249</td>
</tr>
<tr>
<td>Introvert/Extrovert(1)</td>
<td>.777</td>
<td>.665</td>
<td>1.366</td>
<td>1</td>
<td>.242</td>
<td>2.175</td>
<td>.591</td>
</tr>
<tr>
<td>Neurotics(1)</td>
<td>1.221</td>
<td>.639</td>
<td>3.647</td>
<td>1</td>
<td>.056</td>
<td>3.389</td>
<td>.968</td>
</tr>
<tr>
<td>Psychotics(1)</td>
<td>.207</td>
<td>.640</td>
<td>.104</td>
<td>1</td>
<td>.747</td>
<td>1.230</td>
<td>.351</td>
</tr>
<tr>
<td>Constant</td>
<td>2.815</td>
<td>1.140</td>
<td>6.100</td>
<td>1</td>
<td>.014</td>
<td>16.697</td>
<td></td>
</tr>
</tbody>
</table>

It can be understood from the results of logistic regression analysis in Table 3 that only the variables of financial awareness and gender have significant impact on the students’ economic awareness (p=0.001 and 0.030<0.05).

Odds ratio is the ratio of the possibility of an incidence to happen compared to the possibility not to happen. Besides, odds ratio indicates how many more times or what percentage Y variable has the probability of incidence by the impact of Xp (Özdamar, 1999: 477). For gender variable, odds ratio is found 0.113. According to this, the possibility of a female student to have economic awareness is 0.113 times less than that of a male student (the word “less” is used as the coefficient is negative). In other words, the possibility of a male student to have economic awareness is 8.8495 (1/0.113) times more than that of a female student. The results gathered show that male students have more economic awareness compared to female students.

According to the results of logistic regression, economic awareness of a student with financial awareness is 1/0.245 (4.0816) times more than that of a students without financial awareness. Economic awareness of a female student is 1/0.113 times more than that of a male student.
Accurate Classification Ratio of the units in logistic regression model is found as 84.2%. 4 out of 21 students with economic awareness are classified accurately and 17 are classified inaccurately; and 4 out of 112 students without economic awareness are classified accurately and 108 are classified inaccurately. In other words, 19% of the students with economic awareness and 96.4% of the students without economic awareness are classified accurately in logistic regression model.

### Table 4: Accurate Classification Percentage for Logistic Regression Model

<table>
<thead>
<tr>
<th>Economic Awareness</th>
<th>Observed</th>
<th>Predicted</th>
<th>Percentage Correct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having Economic Awareness</td>
<td>4</td>
<td>17</td>
<td>19.0</td>
</tr>
<tr>
<td>Having No Economic Awareness</td>
<td>4</td>
<td>108</td>
<td>96.4</td>
</tr>
<tr>
<td>Overall Percentage</td>
<td></td>
<td></td>
<td>84.2</td>
</tr>
</tbody>
</table>

6. Conclusion

The aim of this study is to measure the individuals’ economic awareness levels and identify the components. That’s why, it is analyzed if there is a relationship between economic awareness level and financial knowledge level, personality features, subjective poverty perception and demographic features. In almost all the studies done on economic awareness, it is aimed to explain economic awareness with financial literacy. However, no components are used that can be named as financial awareness and financial literacy by using survey questions which include academic knowledge, and that can explain economic awareness. While searching economic awareness, contrary to other researchers, financial literacy concept is for the first time used for academic knowledge and perceiving as financial awareness, the relationship between these two concepts is meant to be analyzed. In conclusion, the researchers aiming at analyzing economic awareness level in our country haven’t distinguished the concepts of financial awareness and financial literacy. Nevertheless, the studies done on this subject in other countries have already distinguished the concepts of financial awareness and financial literacy.

In questionnaire form, the participants are asked questions about economic awareness, financial awareness and financial literacy in separate categories. The results gathered from the answers given to five questions about financial awareness are significant according to logistic regression model. Thanks to this, the research hypotheses “There is a strong relationship between economic awareness and financial awareness but no relationship with financial literacy” are confirmed.
As claimed in other studies about the relationship between financial literacy and economic awareness, financial literacy is thought academically. As far as we are concerned, analyzing the relationship between financial literacy and economic awareness is extremely wrong. When the conclusions of the study are considered, no relationship could be found between the answers to the questions about academically financial literacy and economic awareness. Nonetheless, it is concluded that there is a strong relationship between the individuals’ answers to the questions which are not academic but measure financial awareness and economic awareness.

In the study, the second variable which is detected to have a significant relationship with economic awareness is gender. Considering that employment participation rate of 15 year old women or older among the whole population is 25.9%, this conclusion is not surprising. The probability of men to have economic awareness is 4 times more compared to women. This means that while explaining the possibility of having economic awareness, gender is an important variable together with financial awareness. In conclusion, the components of economic awareness can be accepted to be financial awareness and gender.

Although eight different variables have been tested as independent variables together with the main hypothesis of the study, the results of logistic regression are not significant. Among these variables which affect the possibility of having economic awareness are; the region, subjective poverty perception, personality features, cognitive abilities, risk preferences and financial literacy. Thus, the region where the individual lives does not have any impact on economic awareness. The fact that the individual feel subjective poverty does not have any impact on economic awareness. Personality features of the individual and whether he or she likes risk do not have any impact on economic awareness.

In conclusion, the questions that the researchers studying on economic awareness claim about financial literacy are among the questions about academic awareness. That’s why, the possibility of an individual that can give answers to the questions related with financial awareness in our study to have economic awareness is strong. Hence, the components affecting economic awareness are found as the questions asked in our study about financial awareness and gender.
References


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