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Financial Planning for the Well-Being of Individuals and Responding to Financial Awareness Requirements

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ABSTRACT

People who do not manage their finances well or at all can experience many unfortunate consequences – stress, anxiety, embarrassment, and difficulty meeting current obligations. Individuals and families experiencing financial hardship have difficulty dealing with financial emergencies or unexpected job losses. They may end up as victims of many activities, including "get-rich-quick" activities, which are mostly borne indirectly by their children, because high-quality educational opportunities and the acquisition of skills through private activities may not be within reach without prior planning. For all of these reasons, mastering the financial planning process is worth investing in. Time and effort were addressed in our current study by measuring the interactive relationship between financial awareness and financial planning for a sample of 300 individuals as a random sample. Their reactions were mixed towards the study paragraphs that were developed to measure the impact of financial awareness in financial planning to ensure the well-being of individuals in accordance with those requirements. What reinforces this importance is the positive and significant relationship between financial awareness and financial planning, for both saving and investment, and this is evidence of the importance of financial awareness in sound planning.

Keywords: financial awareness, financial planning, financial literacy, financial decisions, personal finance

INTRODUCTION

Financial planning is crucial for individuals, families and businesses alike. It involves setting financial goals, devising strategies and making wise decisions to achieve those goals. Without proper financial planning, individuals will face a number of problems ranging from debt to bankruptcy, missing out on investment opportunities, and struggling to achieve financial stability, financial well-being and a secure retirement life. Financial planning includes various aspects, including budgeting, saving, controlling spending, investing, managing debt and monitoring progress. Each of these components plays a vital role in your overall financial health. While traditional planning methods can be effective, they often lack the convenience, speed and accuracy that a game-changing tool provides. Therefore, financial planning is important at both the micro and macro levels of the economy, especially for individuals, the financial system, the national economy and monetary policy. Accordingly, planning guides individuals and families to budget and save, manage their assets and debts well, and use their savings in a reasonable and balanced manner in the financial market. On the other hand, many studies have shown that financial awareness contributes to improving the financial planning of individuals and small and medium enterprises. As a result, these improvements lead to increased stability and efficiency of the financial sector. However, financially informed customers contribute to maximizing the reliability, rationality and effectiveness of the market and the way financial institutions operate by influencing the behavior of financial institutions. Therefore, financial knowledge encourages individuals and

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families to use their money in a rational manner that achieves savings at the micro level. Financial awareness also contributes to economic growth, by influencing the development of the financial sector in terms of quantity and quality. This leads the economy to play its role in increasing national savings and financial development, reducing unemployment rates, improving living standards, accelerating the efficiency of cash flow management, managing credit risks, saving and investing to a higher extent. Financial planning programs also help individuals understand how to manage their available income, and the amount they can invest or save. In financial behavior, one must understand the risks and financial issues surrounding individuals' capabilities and plans. Financially literate consumers and investors in emerging economies can help ensure that the financial sector contributes effectively to real economic growth as well as poverty reduction. They are crucial for more advanced economies to help ensure that consumers save enough to provide adequate income in retirement while avoiding high levels of debt that could lead to bankruptcy or foreclosure. The available information on consumer illiteracy is worrying for two reasons – not only do individuals generally lack a financial background or adequate understanding of how to navigate today's complex market, but they also unfortunately believe that they are more financially literate than they actually are, a term that is often used to describe the "financial literacy illusion." In addition to the individual benefits for consumers and investors, financial planning is important for economic and financial stability because it enables financially literate individuals to make wise decisions and demand high-quality services, which will encourage competition and innovation in the market. They are also less likely to face the negatives of volatile market conditions in unpredictable ways, less likely to file unfounded complaints and more likely to take appropriate steps to manage the risks referred to them. All of these factors will lead to a more efficient financial services sector and less costly financial regulatory and supervisory requirements. Therefore, the current study will provide a cognitive and analytical approach to understand the extent to which individuals respond to awareness requirements by measuring the impact of financial awareness on financial planning for the university employees category, as they represent the segment closest to understanding awareness requirements and the importance of financial knowledge in financial planning. A large part of financial planning focuses on understanding the idea that the time and money that individuals spend on paying off debts, financial fraud expenses, and the cost of financial ignorance that harms their ability to invest in their future, because the lack of financial acumen and knowledge, especially in the aspect of debt accumulation, is one of the biggest obstacles facing many young generations today, and that financial awareness contributes to how to deal with the disadvantages of money management, including debts and their negative effects and how to avoid their disasters. The study assumes that individuals suffer from a low level of financial awareness, which will lead to poor financial planning through two hypotheses by testing the relationships and impact between financial awareness and financial planning. Knowing the skills of dealing with income and managing the personal or family budget or debts or what is called personal financial management does not guarantee financial freedom or financial success, but it is certain that ignorance of this knowledge and skills has a high cost on the individual, family, society, and the economy as a whole. Hence, the importance of the study emerges as it will cover a vital part related to sound money management to ensure well-being and financial stability and avoid fraud in the future. The study aims to achieve the following:

• Understanding the culture of financial awareness and savings at the individual, family and then community levels.

• Contributing to the development of financial planning and financial management skills for individuals.

• Adopting the concept of financial dignity and financial independence.

• Encouraging the investment of modern safe technologies in the financial fields.

• Encouraging individuals to open a savings bank account.

• Investing the time of individuals, especially students, in programs and activities that enhance financial awareness.

• Understanding the theoretical and quantitative relationships between financial awareness and financial planning and their role in the well-being of society.

THEORETICAL FRAMEWORK

The Concept of Financial Literacy

The concepts of financial literacy have gained greater importance in the last twenty years, as financial markets have become increasingly complex; individuals face real difficulty in making wise financial decisions. Therefore, financial literacy is an important and helpful factor in promoting financial inclusion, financial development and ultimately financial stability. Financial planning comes with potential risks, as recent experiences in the field of microfinance have shown that poor people who obtain loans do not have the ability and how to manage them properly (Ramachandran, 2012). Financial literacy is based on the fact that individuals are unique and responsible for their financial decisions. Therefore, advocates of this idea acknowledge the individual's perceived control over his financial decisions and choices. An individual will not exhibit acceptable financial behavior unless he perceives the value of this behavior by him, and will be subject to his situation that he controls. Therefore, it can be said that even if an individual has financial knowledge, the actual financial behavior will be determined by the individual's situation itself. Many researchers and organizations working in various financial, investment, and other disciplines suffer from low levels of financial literacy for many financial matters and various applications (Rodrigues, et al., 2019). For example, financial awareness can be linked to credit card behavior that generates fees and interest charges, paying bills late, exceeding the credit limit, and using cash advances. This is what (Lusardi, et al., 2009) called the "cost of ignorance" or the cost of transactions incurred by less informed individuals, and these costs are mainly due to low financial awareness (Ansari et al., 2022).

(Demirgüç-Kunt, et al., 2012) indicated in a study by the World Bank in (2012) that about (2.5) billion adults around the world cannot obtain financial services from formal financial institutions, which forces them to rely on expensive informal methods to obtain their financial needs, whether loans, savings, or other financial services. It is worth noting that most of these adults live in developing countries, as evidenced by the fact that the percentage of adults dealing with the banking sector is only (41%) in developing countries compared to (89%) in developed countries (AL Abdullah et al., 2023).

In light of the growing complexities of knowledge and awareness and the multiplicity of consumption and investment options, ordinary consumers and investors must make critical financial decisions on an unusually daily basis, but there is increasing evidence that most consumers do not have a good enough skill when making many of the frequent economic choices in acquisition, planning, investment, etc. Americans over the age of (50) can answer correctly two simple questions about compound interest and inflation, while fewer of them can answer these two questions and another question about diversifying risk. There is also evidence that individuals who are more financially aware are more likely to save for retirement (Lusardi, et al., 2009).

An additional testable effect of the financial ignorance model is a study conducted by (Jørring, 2018) related to the costs of financial mistakes, as the researcher discovered that frequent financial mistakes are associated with a higher ratio of spending from luxury to necessity. This means that some individuals believe that they are richer than they actually are, because they believe that their future obligations are less. Therefore, a consumer who believes that he is richer than he is will not only have higher spending, according to consumer theory, and that he will advance further on the (Engel) curve, meaning that a consumer who believes that he is richer will have a higher share of spending on luxury goods only. The researcher defined luxury goods as goods related to entertainment, electronics, jewelry, art, and travel, and then calculated the average share of spending out of total spending for each consumer. He found that at each level of wealth, consumers who make mistakes frequently have a higher share of spending on luxury goods than on essential goods (Jørring, 2018). Also, a study by (Hilgert, et al., 2003) found that individuals with low financial literacy were less likely to save regularly and were also relatively less likely to have emergency funds. However, less than half of all households in the study found that they save regularly and have excess cash for emergency reserve plans. In terms of investment, low financial literacy was associated with lower wealth and lower participation in retirement plans. (Mani, et al., 2013) argue that concerns about poverty consume valuable mental energy, thus depleting the cognitive resources available for a range of consumer decisions, leading to costly mistakes. The lack of ability to deal with certain complex decisions occurs more frequently for those living at abnormal levels of poverty (Gupta et al., 2022).

Calvet, Campbell, and Sodini (2007, 2009) evaluated the behavior of Swedish investors who were classified as “full of errors.” While this analysis included no direct measure of financial literacy, the researchers reported that poorer, less educated, and immigrant households were more likely to make financial mistakes. (Agarwal, et al., 2009) also focused on financial “errors,” which were found to be more common among young people and adults, who have lower levels of financial awareness. Thus, the problems and high costs that individuals are exposed to increase with increasing financial ignorance and decrease when individuals are trained to deal with various financial and banking programs and tools, which is confirmed by the trend of countries towards automating everything, and making financial and banking transactions an important part of daily practices that meet the needs of individuals. (Nasd, 2003) defines financial literacy as the understanding of ordinary investors of market principles, instruments, organizations and financial systems.

The National Council for Financial Education (NCEE, 2005) defines it as familiarity with basic economic principles, knowledge about the economy and understanding of some key economic terms. While (Lusardi, et al., 2009) focus on financial literacy in debt, which is one of its components; they defined it as "the ability to make simple decisions regarding debt contracts, especially in how to apply basic knowledge regarding compound interest. While (Mandell, 2007) goes beyond those concepts related to more developed awareness among individuals, in line with the complexities of markets and investment, the multiplicity of options, and the high costs of financing, and defines it as "the ability to evaluate new and complex financial instruments and issue informed opinions on both the choice of instruments and the extent of use that will be in their long-term interest." As an extension of financial awareness, the Organization for Economic Co-operation and Development defined financial education (OECD, 2018) as "a combination of awareness, knowledge, skills, attitudes, and behavior necessary to make sound financial decisions, in order to achieve the financial well-being of individuals. It is tempting to accept the definition of (PACFL); it depends largely on the ability to use knowledge and skills, to achieve financial well-being. Therefore, it is based on behavior. In practice, this focus limits awareness of the mechanisms of influence on financial knowledge (Arora et al., 2022).

The Concept of Financial Planning

Financial planning experts agree that although people nowadays have much more money than they did generations ago, the amount of knowledge on how to manage that money has never been at the required level (Fogarty, 2012). Personal financial planning is the need of the hour for individuals and families to manage their financial needs, plan the use of surplus money, and identify their own needs and desires, which they work hard for. The hard-earned money should be spent wisely so that the desired savings can be maintained, and life can be moved forward effortlessly. It is a fact that individuals must earn a decent amount of money to continue their current lifestyle practices and get investment from savings. Investments and savings are made keeping in mind the goals that individuals want to achieve in the future such as financing their children's education, purchasing assets, or investing to get a large sum of money after retirement. Individuals and families struggle to keep their expenses healthy in the presence of inflation. Similarly, individuals should also consider having a second source of income, so that inflation is offset. And have a plan to ensure that things are going according to one's financial goals and policies. Financial goals are set by individuals after careful assessment of the investment market scenario and profit potential, thus keeping the goals active and vital. Proper financial planning creates a suitable combination that makes individuals feel more in control of their finances because with a clear plan in place, it will result in better money management and wise decisions about how to spend and save (Veerasamy, 2023). Many individuals who lack financial literacy will make poor financial decisions, especially in adopting innovative financial products, planning for retirement and making sound financial planning decisions. However, it has been found that lack of financial literacy is a global phenomenon and is also evident in advanced economies (Boon, et al., 2011). In fact, several researchers have found that concepts such as time value of money, compound interest, inflation rate, and risk diversification are the cornerstones of various aspects of financial planning; Therefore, knowledge of compound interest and the ability to perform simple calculations will be more important for effective financial planning (Lusardi, et al., 2005).

In a study conducted by (Citi, 2008), it was found that although Malaysians are aware of the importance of financial planning, many of them still lack a comprehensive understanding of the importance of financial planning and the many benefits that can be obtained from this planning. One of the potential contributing factors to this phenomenon is the lack of information and knowledge, the level of financial culture of individuals in the country, and the extent of individuals' readiness to follow personal financial planning. Financial planning is defined as the activity that contributes to making decisions related to how individuals manage their financial rights. Financial planning includes several aspects, including preparing a financial budget, planning for taxes, saving money, and others. It is also known as preparing a program that helps in managing capital and financial affairs, by linking them to preparing a financial budget.

The Financial Planning Standards Board (FPSB) and the Financial Planning Association (FPA) define it as the process of developing strategies to help individuals manage their financial affairs to achieve life goals, which involves reviewing all relevant aspects of an individual's situation across a wide range of financial planning activities, including the interrelationships between often conflicting goals (FPA, 2014).

The importance of financial planning for individuals

Financial planning is very important for individuals as it helps them in several ways to achieve investment goals. It is the process of managing money to achieve a certain level of satisfaction from an economic and financial perspective, and its importance for the individual was for the following reasons (Veerasamy, 2023):

1) It helps individuals and families estimate their spending and income that will be earned. It serves as a guide to ensure control over the expenses that will be spent or incurred.

2) It makes it easier for individuals to achieve a certain level of savings in their earnings. Thus, the habit of saving is well reinforced.

3) Financial planning makes the individual think in advance about future expenses, whether capital or recurring, so that he can plan the amount of money that will be saved or spent in a specific period.

4) Financial planning helps individuals achieve their financial and investment goals in a more effective way. Thus, individuals are motivated to invest in all markets, such as primary and secondary markets.

5) Personal financial planning will help individuals plan their income, savings and expenses efficiently, thus reducing the level of borrowing.

Factors affecting financial planning for individuals

Many factors interact to frame the dynamics of the financial plan for individuals and families, which are naturally the broad outlines for drawing its features. Among these factors that have greatly affected financial planning for individuals are:

1) *Family composition and demographic characteristics:* The important thing for parents is to realize when their children will be ready to participate in various financial decisions that can benefit from equal opportunities by creating purposeful educational experiences (Danes, 1994). Age, family size, income and wealth will greatly affect financial planning. In light of globalization and technological progress, families tend to spend more to raise children and educate them in a healthy, social and scientific environment, which leads to the erosion of the savings allocation. Later, due to inflation and several other factors, the high costs of health care and child care, especially education, have made raising a child more expensive. Figure 1 compares the distribution of these costs in 1960 and 2017. Compared to 60 years ago, the cost of raising a child has become approximately 16% higher, after adjusting for inflation. The reasons for this increase are child care and health care expenses.

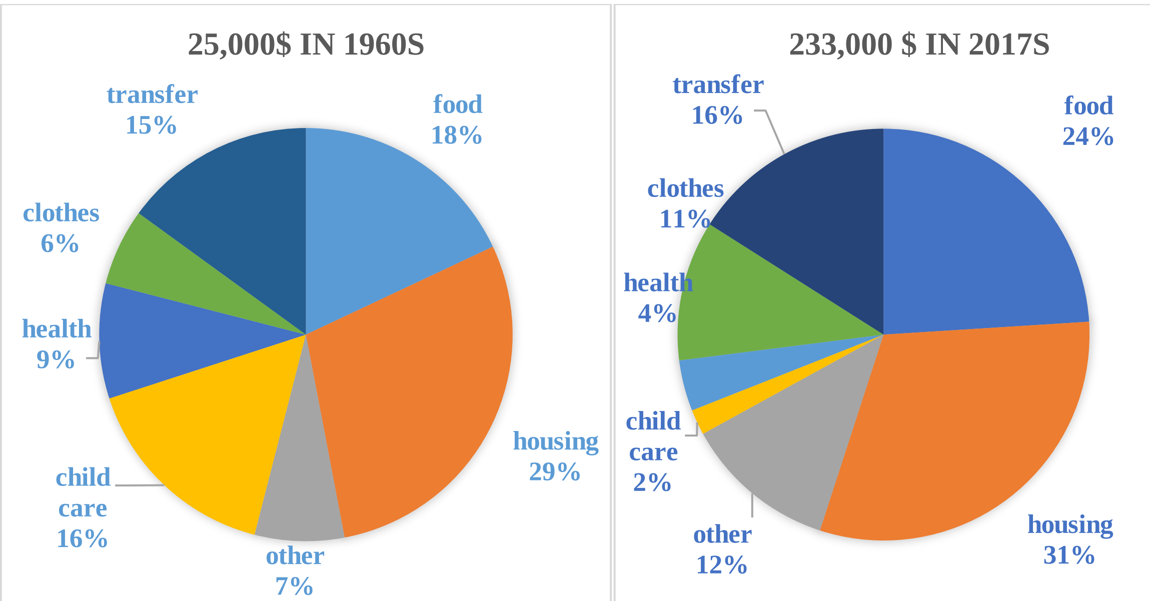

Figure 1: The size of the costs for the years 1960 and 2017

Source: USDA Center for Nutrition Policy and Promotion, Expenditures on Children by Families, 2015, Miscellaneous Report No. 1528-2017 (January 2017).

2) *Values and attitudes*: People have different values and attitudes regarding money and its uses. The way people manage money in general is a result of their own behaviors and inherent tendencies. For example, if someone grew up in a home where money was scarce and consumer purchases were made with careful deliberation and frugality, they will carry the financial skills they learned from their parents throughout their lives. Whether their parents were spendthrifts or stingy, their genetic makeup will also influence their personal

financial style. Emotional people will usually have difficulty controlling their financial situation and spending, especially those who are impulsive, while individuals who are regular in their lives are more in control of their financial resources (Nanda et al., 2024).

3) *Inflation:* Everyone has heard an older person say at one time or another, "When I was a kid, it was much less expensive." This data describes the effects of inflation and the change in general price levels over time. Inflation usually refers to an increase in prices. As the prices of goods and services rise, the purchasing power of your money falls – your dollar won't buy as much as it did before. If the prices of goods and services fall over a period of time, which is a rare event, we call this decline "deflation." Inflation affects every aspect of people's money (Braggion, et al., 2023). For an individual's standard of living to improve, income must increase at a rate greater than the rate of inflation. This is illustrated in Table 1 by the average household income, which increased by 33% over 40 years due to inflation.

Table 1: Changes in income and prices over time

Years	Average family income	A gallon of gas	A loaf of bread	Price of a dozen eggs	College tuition, rent, food
1980	21,023$	1.13$	0.50$	0.88$	2330$
1985	27,735	1.15	0.55	0.75	3580
1990	35,735	1.34	0.69	1.22	4720
1995	40,611	1.08	0.77	0.88	6620
2000	50,732	1.39	0.91	0.98	8080
2005	56,194	2.19	1.05	1.35	11380
2010	61,521	3.02	1.39	1.77	15240
2015	58,476	2.77	1.46	1.96	18930
2019	62,786	2.90	1.29	1.36	21370
% Increase	199%	157%	158%	55%	817%
Annual Rate	2.8%	2.4%	2.5%	1.1%	5.8%

Sources: U.S. Census Bureau, U.S. Bureau of Labor Statistics, trends.collegeboard.org. Estimated from most recent reported census data.

4) *Economy and labor market:* The economic cycle in the United States of America went through bouts of ups and downs, all of which greatly affected the growth and erosion of personal wealth, especially when it came to working conditions and jobs. Unemployment rates rose and investment declined when that cycle went through a major recession. The Great Recession in 2008 and between 2007 and 2009, which lasted longer than average, cast a significant shadow on labor and employment. While times of economic prosperity and expansion were characterized by active investment activity and the employment of individuals by providing more job opportunities due to market needs, and in light of these fluctuations, it would be more beneficial for individuals to possess the knowledge and skills that enable them to continue performing their work and not give companies a justification to lay them off, as happened in previous crises and recessions that caused federal funds to dry up in light of high mortgage rates and inflation.

5) *Political unrest and global issues:* It is important to be clear that political and global factors can greatly affect personal finances. The ongoing threat of terrorism, the repercussions of the 2008 financial crisis and the Great Recession, the ongoing uncertainty in the global oil market, political disputes over immigration, and tariffs on foreign goods are all significant issues that affect personal finances. Military families have faced unexpected financial burdens due to repeated and prolonged invasions abroad and due to the global oversupply of oil, gas prices have been historically low, which has led to more money in

consumers' pockets. All of these variables and others have contributed significantly to major changes in people's incomes, and the planned wars that have taken place in the Arab region have set the stage for major changes. Those who were rich have become poor after a while, and those who were poor have, for some reason, increased their wealth. All of these booms did not occur due to natural economic criteria in the growth of wealth, but rather due to political factors, and there are many of them at the present time.

THE APPLIED ASPECT OF THE STUDY

Description and Diagnosis of the Opinions of the Study Sample

Description and diagnosis of the opinions of the study sample regarding the dimensions of financial awareness and financial planning

1) *The dimension of financial awareness:* Within this paragraph, the opinions of the study sample regarding the dimensions of financial awareness and financial planning in its two aspects, savings and investment, will be described and diagnosed as follows:

Table 2: Description and diagnosis of the opinions of the study sample regarding the financial awareness dimension

Coefficient of variation	Relative importance	Deviation	Average	Study sample answers			Questions	N
				Don't Agree	Indifferent	Agree		
14.903	0.904	0.404	2.713	26	34	240	I have control over my financial situation	1
12.411	0.873	0.325	2.620	24	66	210	I feel that I can use my future income to achieve my financial goals.	2
9.656	0.702	0.203	2.107	118	32	150	Buying things is very important to my happiness.	3
8.037	0.824	0.199	2.473	94	60	176	I read a lot of books to develop my financial knowledge	4
5.316	0.729	0.116	2.187	60	124	116	I believe in the principle of enjoying the present and leaving the future estimates for later	5
5.626	0.617	0.104	1.850	135	75	90	It is easy to save money when needed	6
6.542	0.594	0.117	1.783	125	115	60	Keeping money in the bank is better than keeping it at home	7
14.703	0.897	0.396	2.690	30	33	237	I will buy things with credit cards if available	8
10.186	0.702	0.215	2.107	120	28	152	When comparing a bank loan and private home loans between friends	9
13.089	0.532	0.209	1.597	151	119	30	to save money, I will tend to the loans that we organize	10
9.730	0.801	0.234	2.403	60	59	181	I am a spendthrift person	11
8.812	0.710	0.188	2.130	111	39	150	It is important to have a bank account to grow money	12
9.051	0.767	0.208	2.300	30	150	120	I am a person who keeps financial records because of their importance	13

6.256	0.692	0.130	2.077	67	143	90	Do I follow up on my purchase receipts constantly	14
12.999	0.938	0.366	2.813	28	60	232	Do I make a household budget and track spending	15
14.223	0.520	0.222	1.560	171	90	39	Do I pay close attention to what I buy and shop and compare the	16
8.122	0.789	0.192	2.367	35	120	145	I am very careful about what I buy, I shop and compare the quality and price of the products I buy?	17
11.205	0.796	0.267	2.387	74	36	190	Life insurance is a stealing tool in an investment way.	18

Through Table 2, we find that there is a difference in the responses of the sample individuals regarding the financial awareness dimension, as the weighted arithmetic mean for all paragraphs of the financial awareness dimension reached (2.231), which is greater than the hypothetical mean (2) for most paragraphs, and this confirms the consistency of the sample data as a whole, while the standard deviation reached (0.2275), which is an acceptable dispersion of the data from the average, and the relative importance reached (0.7437), and the coefficient of variation (10.0481). All of this is a strong indicator of the intensity of the response and the importance of the paragraphs of this dimension in building the index in general, and we conclude from this the necessity of individuals adopting a financial position that supports the principles of financial awareness, and also towards developing financial culture, and their answers were consistent towards enhancing responsible financial awareness. While the arithmetic mean of paragraphs (6), (7), (10), (16) was less than the arithmetic mean as follows:

- Paragraph (6): This paragraph achieved a weak arithmetic mean of (1.850), which is less than the hypothetical mean because respondents believe that saving money when needed is difficult, and that the weak response may be due to investors not understanding the paragraph. However, investors should be concerned with estimating expenses and providing the necessary amounts by saving for financially critical times.

- Paragraph (7): This paragraph achieved a low arithmetic mean, which is less than the hypothetical mean, and this is controversial, as investors' answers were somewhat consistent with the degree of lack of trust between investors and banks in Iraq in general, and the reason for this may be due to the respondents not understanding the question or that the somewhat weak response proved that respondents do not see the bank as safer and more beneficial than keeping money at home. It is an unsound financial position and does not support development programs in any way, because the bank has great importance in investing and developing funds, so the weighted arithmetic mean reached (1.783), which is less than the hypothetical mean (2).

- Paragraph (10): The sample members' response to whether the person is a spendthrift or not was not consistent with the hypothetical mean for reasons related to neutrality or lack of understanding of the question.

- Paragraph (11): This paragraph relates to the subject of insurance and the fact that it is an important tool for development, in which the arithmetic mean was less than the hypothetical mean, which indicates a clear weakness in the sample members' response and their ignorance of the importance of insurance or their lack of understanding of the nature of the question.

2) *The dimension of financial planning*

Table 3-a: Description and diagnosis of the study sample's opinions regarding the savings dimension

Coefficient of variation	Relative importance	Deviation	Average	Study sample answers			Questions	N
				Don't Agree	Indifferent	Agree		
12.392	0.552	0.205	1.657	171	61	68	I will depend on spending in retirement on the pension only without the need to save.	1
9.813	0.582	0.171	2.047	158	60	82	I fear retirement because of my fear of low income, as I cannot meet my family's needs.	2
6.542	0.713	0.140	2.140	100	58	142	The increase in family consumer spending is one of the reasons for not saving.	3
11.259	0.602	0.203	2.007	160	38	102	I expect that my pension after retirement will meet my family's needs without the need to save.	4
0.735	0.659	0.015	2.977	105	97	98	I save part of my monthly income continuously before spending the income on family needs.	5
9.530	0.780	0.223	2.340	74	50	176	I have the habit of spending income automatically without planning.	6
5.128	0.704	0.108	2.113	99	68	133	I am satisfied with meeting my family's needs now and do not think about saving for retirement.	7
3.692	0.692	0.077	2.077	100	77	123	I save part of my monthly income continuously before spending the income on family needs.	8
7.014	0.756	0.159	2.267	75	70	155	The capabilities and skills of family members must be exploited to provide what is paid for services	9
7.956	0.636	0.152	1.907	89	150	61	I rely on opening a side bank account away from the user in financial transactions to deposit my savings.	10
5.318	0.700	0.112	2.100	99	66	133	I seek to rationalize consumer spending more before retirement to increase the chances of saving and increasing savings.	11
4.232	0.681	0.086	2.043	108	71	121	Financial retirement problems are reduced by planning ahead in the pre-retirement phase.	12
5.519	0.767	0.127	2.300	77	86	147	The expected income after retirement prompts me to save early from financial income.	13
1.079	0.676	0.022	2.027	99	94	107	I rely on having different methods and alternatives to deal with financial crises.	14

Through Table 3-a, we find that there is a disparity in the responses of the sample individuals regarding the saving dimension within financial planning, as the weighted arithmetic mean for all saving paragraphs reached (2.143), which is greater than the hypothetical mean (2), and this confirms the consistency of the sample data, while the standard deviation reached (0.6785), which is an acceptable dispersion of the data from the mean, and the relative importance reached (0.1285), and the coefficient of variation (2.0358). All of this is a strong indicator of the severity of the response and the importance of the paragraphs of this dimension in building the index in general, and we conclude from this the necessity of individuals improving their saving behaviors and encouraging them to move towards financial planning that spares them the trouble of potential financial hardship. While paragraphs (1), (10) came weak with their arithmetic mean, which was less than the hypothetical mean due to individuals not understanding the meaning of the question sometimes.

Table 3-b: Description and diagnosis of the study sample's opinions regarding the investment dimension

Coefficient of variation	Relative importance	Deviation	Average	Study Sample answers			Questions	N
				Don't agree	Indifferent	Agree		
11.152	0.554	0.186	1.663	164	73	63	I will invest my experience in my field of specialization in work, but after I reach retirement.	1
17.736	0.510	0.271	1.530	194	53	53	I refrain from borrowing from banks, no matter the circumstances, to avoid being exposed to debt.	2
9.774	0.571	0.167	1.713	158	70	72	I am thinking of different ways from now on to increase income due to the lack of financial privileges after retirement.	3
8.636	0.603	0.156	2.010	150	57	93	I encourage family members to exploit their skills to increase income from a young age.	4
5.425	0.639	0.104	2.032	129	67	104	I prefer to participate in more than one project, regardless of the results.	5
9.219	0.780	0.216	2.340	72	54	174	I seek to start a small project or participate in it before reaching retirement age that secures the future of my family members when I retire	6
7.016	0.749	0.158	2.247	80	66	154	Investing the savings from my current income makes life better after retirement	7
13.455	0.906	0.366	2.717	5	75	220	I encourage my children to work immediately after graduation to participate in increasing income	8
1.636	0.648	0.032	2.043	106	105	89	I invest the saved money in the form of deposits, investment certificates, or a current account.	9
4.991	0.694	0.104	2.083	104	67	129	I will invest the end-of-service bonus in a pre-planned manner to ensure an appropriate	10

							standard of living after retirement	
5.392	0.736	0.119	2.207	99	70	141	I have no objection to establishing a small project inside the home to increase my current income	11
4.336	0.727	0.095	2.180	78	90	132	I come up with new ideas to invest my capabilities in increasing my current income.	12
8.230	0.767	0.189	2.300	75	60	165	I prefer to invest the saved portion of my current income in various ways to secure the future.	13
5.273	0.731	0.116	2.193	82	78	140	I am thinking of increasing my income by working, but after I reach retirement.	14
6.948	0.588	0.123	1.763	141	89	70	I prefer to hoard my savings instead of investing them.	15
8.303	0.693	0.173	2.080	175	76	99	I am keen to buy life insurance policies.	16

Through Table 3-b, we find that there is a disparity in the responses of the sample individuals regarding the investment dimension within financial planning, as the weighted arithmetic mean for all saving paragraphs reached (2.0688), which is greater than the hypothetical mean, and this confirms the consistency of the sample data, while the standard deviation reached (0.6785), which is an acceptable dispersion of the data from the mean, and the relative importance reached (0.16), and the coefficient of variation reached (2.0428). All of this is a strong indicator of the severity of the response and the importance of the paragraphs of this dimension in building the index in general, and we conclude from this the necessity of individuals improving their saving behaviors and encouraging them to move towards financial planning that spares them the trouble of potential financial hardship. While paragraphs (1), (2), (3), and (15) suffered from weakness in the response of the sample members, which was evident in the arithmetic mean being lower than the hypothetical mean, which supports the idea of the dispersion of financial decisions that concern additional work to ensure retirement, borrowing and loans, as well as planning for the distant future from early periods, and also preferring the aspect of saving over investment, all of which are matters that are primarily due to the sample members' lack of understanding of the purpose of the question, which was reflected in the lack of consistency.

Hypothesis Testing

We will verify the study hypotheses by testing the correlation and impact relationships as in Table 4.

Table 4: Testing the correlation and impact relationships for the variables

Financial Awareness						Financial Planning
	f. test		**t. test**	**R2**	**R**	
	177.19		13.31	0.37	0.61	Saving
	408.86		20.22	0.58	0.76	Investment
4.96	**F value**		1.796			T value
			0.05			M.d

Through Table 4:

Firstly / Interpretation of correlation relationships and testing the first main hypothesis:

- The correlation coefficient between financial awareness and savings reached (0.61); This indicates the existence of a strong positive direct correlation relationship between the two dimensions, the more financial awareness increases, the more important saving is for the investor. While the significant value (sig) for the correlation relationships between financial awareness and savings reached less than (5%), which is evidence that the results can be relied upon and the error rate is within the limits adopted in the study. The calculated (t) value for the correlation relationships between the two variables reached (13.31), which is greater than the tabular (t) value, which is (1.796). This indicates that the correlation that was reached is significant and statistically significant. This proves the first main/first sub-hypothesis by accepting the existence hypothesis (H1) and rejecting the null hypothesis (H0).
- The correlation coefficient between financial awareness and investment reached (0.76), which indicates the existence of a strong positive correlation between the two dimensions, the significance of which is that the higher the financial awareness, the higher the desire to invest, while the significant value (sig) for the correlation between financial awareness and investment reached (5%), which is evidence that the results can be relied upon and the error rate is within the limits adopted in the study. The calculated (t) value for the correlation between the two variables reached (20.22), which is greater than the tabular (t) value, which is (1.796). This indicates that the correlation that was reached is significant and statistically significant, which proves the first main/second sub-hypothesis by accepting the existence hypothesis (H1) and rejecting the null hypothesis (H0).

Secondly / Interpretation of the impact relationships and testing the second main hypothesis:

- The interpretation coefficient (R2) between financial awareness and saving reached (0.37), which indicates that (37%) of the changes that occur in saving can be explained through financial awareness. As for the remaining percentage, it is due to other variables not included in the study, and the calculated (f) value reached (177.19), which is greater than the tabular (f) value (4.96) at a significance level of (5%) and a degree of freedom of (14-1) and a significance level of (f) reached (0.001), which is less than the significance level, which indicates the existence of a statistically significant impact relationship between financial awareness and saving, and this proves the second main hypothesis / the first sub-hypothesis by accepting the existence hypothesis (H1) and rejecting the null hypothesis (H0).
- The interpretation coefficient (R2) between financial awareness and investment reached (0.58), which indicates that (58%) of the changes that occur in investment can be explained through financial awareness. As for the remaining percentage, it is due to other variables not included in the study, and the calculated (f) value reached (408.86), which is greater than the tabular (f) value at a significance level of (5%) and a degree of freedom of (14-1) and a significance level of (f) reached (0.001), which is less than the significance level, which indicates the existence of a statistically significant relationship between financial awareness and investment. This proves the second main/second sub-hypothesis by accepting the existence hypothesis (H1) and rejecting the null hypothesis (H0).

CONCLUSIONS

The study reached a set of conclusions, including the lack of real, actual training to use many financial and banking applications, even for specialists in the fields of money and banking, which contributed to the accumulation of weak financial awareness and the graduation of many generations who are ineffective in the labor market and do not master the knowledge they have experienced due to the vast gap between the theoretical approach and practical application. Iraqi legislation neglected to pay attention to financial and banking awareness and did not address the graduation of a financially aware generation through any of its various means. This was clearly evident in Iraq's ranking at the bottom of the indicators: financial education, knowledge, financial inclusion, and financial planning, and the refusal of many individuals to engage in banking transactions, open accounts, and deposit money in banks in various sectors. Iraq did not keep pace with the experiences of many successful countries, especially in the third millennium, in adopting curricula to empower youth financially and cognitively. While most countries focused on eliminating financial and cognitive illiteracy, through primary grades and children; To be more informed and more effective in the crowded labor market in the future. Effective financial planning, both savings and investment, requires a high degree of financial awareness to achieve a level of well-being resulting from sound management of financial resources and not relying on the restrictions imposed by debts and the problems they cause, extending even to the psychological and health aspects, threatening the existence of the family. The role of financial advisory institutions and financial brokerage should be activated to provide financial investment alternatives for individuals, and this will not happen without activating the Iraq Stock Exchange, because this will guarantee the accumulation of billions looking for a safe legal environment that will take money out of homes towards effective savings and safe investment.

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