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A Systematic Review of Financial Quotient: Defining, Measuring, and Understanding Its Role in Prsonal Finance

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ABSTRACT

Financial Quotient (FQ) or also known as Financial Intelligence Quotient, is a compilation of the ability of an individual to handle financial resources efficiently by a combination of knowledge, applied skills, and informed decision-making behaviours (Lusardi and Mitchell, 2014; Huston, 2010; Xiao et al., 2014). FQ has become a pillar of individual and economic health in a more financially confusing age generated by online banking, crypto-currencies, and various investment platforms (Klapper et al., 2015; Hastings et al., 2013). Even though it is important, the knowledge on FQ is still fragmented, with inconsistent definitions, diverse measurement methods, and little information on its determinants and effects in diverse populations (Goyal & Kumar, 2021; Remund, 2010). To fill these gaps, this systematic literature review (SLR) was done following PRISMA 2020 guidelines and identifies 50 peer-reviewed studies published between 2000 and 2025. The purpose of the review is to define the conceptualization of FQ, the reliability and applicability of the tools of measurement, the major determinants and outcomes, and the critical research gaps that will inform the further research. A

search that was done in June of 2025 in the Web of Science, Scopus and Google Scholar resulted in 50 studies that were screened rigorously with emphasis on personal finance. The results show that FQ is a multidimensional measure that incorporates financial knowledge (e.g., knowledge of how to work with compound interest), skills (e.g., budgeting), and behaviours (e.g., saving regularly) (Lusardi and Mitchell, 2014; Huston, 2010; Xiao et al., 2014). The most commonly used measurement instruments include the OECD Financial Literacy Survey (OECD, 2020) and the Big Three Questions of Lusardi (Lusardi and Mitchell, 2011), which typically are not cross-culturally or psychometrically validated (Goyal and Kumar, 2021; Stolper and Walter, 2017). Some of the important predictors are education, socio- economic status, and parental socialization, and recent studies have shown evidence on psychological aspects such as self-efficacy and culture (Atkinson and Messy, 2012; Grinstein- Weiss et al., 2012; Farrell et al., 2016). High FQ is linked to less financial stress, better debt management, and better retirement planning yet longitudinal and non-Western data are lacking (Kempson et al., 2017; Allgood and Walstad, 2016). The review proposes an integrated conceptualization of the financial literacy concept, supports culturally sensitive measurement tools, and recommends to conduct additional research in non-Western and longitudinal contexts to inform the financial education policy and build economic resilience (OECD, 2023; Hastings et al., 2013)

Introduction

In the modern sophisticated world of finance, people have never encountered more difficulties in their personal finances management. Consider the case of a young couple that is very excited to purchase their first house only to realize months later that they are unable to pay the mortgage as they failed to know how the variable interest rate works. The other case is of a young college graduate who owes money on their credit cards and does not have a clue on how to create a budget that will help him or her. The scenarios are not isolated, but they are an illustration of

an international problem. OECD (2023) has recorded that one out of every three adults in 30 nations experienced serious financial pressure, which, in most cases, was caused by the absence of fundamental money. OECD, 2023: management skills. This highlights the paramount significance of Financial Quotient (FQ), or Financial Intelligence Quotient, as the combination of knowledge, skills and behaviours that one should have to make well-informed financial choices (Lusardi and Mitchell, 2014; Huston, 2010; Xiao et al., 2014).

The financial landscape has over the last twenty years changed radically. Money management used to be relatively easy in the past when people had to balance a check book or save money to buy something significant. Nowadays, people have to deal with a dizzying amount of financial products: digital banking apps and crypto-currencies, such as Bitcoin, investment platforms that ensure quick wealth gain (Klapper et al., 2015; Hastings et al., 2013). Household debt in the United States surged to a mind-blowing 17.5 trillion in 2024, and 40 per cent of adults in the country cannot afford a 400-dollar emergency without borrowing loans or selling property (Federal Reserve, 2024).

Financial inclusion has been a boom in developing economies-most people can now access mobile banking in places such as Kenya and India but most people do not have the expertise to operate the mobile banking tools and in this case, risky financial behaviours tend to come up (Klapper et al., 2015; Grohmann et al., 2018). FQ can be used as a crucial means of moving through this complexity and enabling people to prevent situations of financial failures and create stable futures (Kempson et al., 2017).

Financial competence as a concept started to take off in the early 2000s with the term of financial literacy indicating the knowledge of major financial concepts like the compound interest (CI), inflation and diversification of risks (Lusardi and Mitchell, 2014). The results of seminal studies by Lusardi and Mitchell showed that Americans are able to answer simple financial questions correctly only about one-third of the time, a trend which is present in other countries, such as Germany, Japan, and Switzerland (Lusardi and Mitchell, 2011; Bucher-Koenen and Lusardi, 2011; Sekita, 2011; Brown and Graf, 2013). Huston (2010) has added to this definition by stating that financial literacy not only refers to financial knowledge but also includes the skills to put that knowledge into practice in a practical manner, e.g. how to draw up a budget or to choose a cheap loan. The second element, (Xiao et al.,2014) proposed is the

financial capability that focuses on behavioural tendencies such as saving on a regular basis or not taking in high-interest borrowings.

Financial Quotient is developed on these platforms by incorporating the knowledge, skills, and behaviours into a wholesome framework, which captures the real-life financial decision-making (Remund, 2010; Fernandes et al., 2014). It is impossible to overestimate the role of FQ. The high FQ means that such people have reduced financial stress, higher savings, and are in a better position to retire (Kempson et al., 2017; Lusardi and Mitchell, 2011; Clark et al.,2012). On the other hand low FQ is related to the expensive errors with high interest debts or even loss of investment opportunities (Fernandes et al., 2014; Lusardi and Tufano, 2015; Mottola, 2013). On a social scale, the general economic instability can be caused by large populations of people unable to afford their mortgages, as the 2008 financial crisis shows (Atkinson and Messy, 2012; Hastings et al., 2013). Such risks can be countered by enhancing FQ and this will contribute to economic stability and empowerment of individuals (Thaler and Benartzi, 2004). Even though it is of critical importance, the research on FQ remains difficult.

The definition of knowledge is ambiguous with some studies considering only knowledge (Lusardi and Mitchell, 2014), some considering practical skills (Huston, 2010), and some considering behavioural results (Xiao et al., 2014), thus, conceptually ambiguous (Goyal and Kumar, 2021; Remund, 2010). The most common measurement instruments (or scales, e.g. the OECD Financial Literacy Survey, or the Big Three Questions by Lusardi) are not reliable when used with a different cultural or demographic group (OECD, 2020; Lusardi and Mitchell, 2011; Goyal and Kumar, 2021; Stolper and Walter, 2017). Although education and income have been established to be the determinants of FQ, psychological influences such as self-efficacy and culture have not been exploited (Atkinson and Messy, 2012; Grinstein-Weiss et al., 2012; Farrell et al., 2016; Xiao and Porto, 2017). Moreover, the effects of FQ are long-term because only a few longitudinal studies are on this topic (Stolper and Walter, 2017; Gutter et al., 2010).

To resolve these challenges, this systematic literature review (SLR) will be based on PRISMA 2020 guidelines and will synthesize 50 peer-reviewed studies published between 2000 and 2025. The paper is organized based on three research questions: (1) How is Financial Quotient defined in the literature? (2) What is the measurement of FQ, and is it reliable and generalisable? (3) What determines FQ and what are its effects on the individual and the

society? This review research paper should clarify the conceptualization of FQ, assess measurement strategies, determine determinants and outcomes, and can answer the question of gaps in research as well as offer actionable ideas to the policy makers developing financial education programs that include learning how to use it in schools or workplace settings (OECD, 2020; Mandell and Klein, 2009). In so doing, it renders FQ a significant life skill in responding to complex financial scenarios and enabling the economy to remain robust in a world that is increasingly getting complex.

Review of Literature

This literature review explains the results developed in 50 peer-reviewed articles that have been chosen on a strict criteria. This is the process PRISMA led that is to be reported and published between 2000 and 2025. A total of (20 + 30) 50 studies were included based on (1205 + 17100) records of which (435 + 16687) records did not cover equal opportunity in various subject areas, after title/abstract screening, (562 + 383) articles were eliminated. 5 of them, mostly United States (e.g., Lusardi and Mitchell, 2011), Europe (e.g., Bucher-Koenen and Lusardi, 2011), and the results were structured in three major themes, which include: Defining Financial Quotient, Measuring Financial Quotient, and Factors and Impacts of Financial Quotient. Through examples that most people can relate to and the use of simple language, this section will explain what FQ is, how it is measured and why it is important with the key gaps to be pursued by future studies revealed.

Defining Financial Quotient

Financial Quotient (FQ) is the financial management capability of an individual and it incorporates 3 main elements financial knowledge, practical skills, and informed behaviours (Lusardi and Mitchell, 2014; Huston, 2010; Xiao et al., 2014). Knowledge refers to the capacity to grasp simple concepts, e.g., the manner of operating a compound interest on a loan or the ability to reduce risks by diversification of investments (Lusardi and Mitchell, 2014). Surveys reveal that the number of Americans who know the concepts is about 30 percent, a trend that is comparable across other countries such as Switzerland and Germany (Brown and Graf, 2013; Bucher-Koenen and Lusardi, 2011; Lusardi and Mitchell, 2011). Skills are applied knowledge

when using practical activities such as determining what to get in a low-cost savings account or creating a monthly budget to spend on groceries and rent (Huston, 2010). Acts such as saving a specific sum of money in every pay cheque or avoiding unthought-over credit buying behaviour are some of the regular behaviours (Xiao et al.,2014). To provide an illustration, despite having minimal formal education, an individual with a high FQ can plan their finances and save dutifully, which proves how FQ can be used in everyday life (Fernandes et al., 2014).

A few works enlarge the definition of FQ to embrace emotional and psychological aspects. According to Shim et al. (2010), FQ is a system of emotional intelligence including staying calm amid stock market volatility. As an illustration, a high FQ person may not succumb to panic-selling the investment during a market crash, as opposed to a person with the fear (Shim et al., 2010). Fernandes and others (2014) draw the difference between FQ and financial literacy in the sense that they focus on actual decision-making rather than theoretical knowledge. Take the case of two people- one who knows the stock market theory but never invests and the other who constantly saves himself regardless of how little he knows- the latter would have a greater FQ (Fernandes et al., 2014). Xiao and Porto (2017) suggest a single definition, which incorporates knowing, doing, and acting with wisdom with money, which can represent the comprehensive picture of FQ. That not having a unified definition however brings about major challenges.

According to Goyal and Kumar (2021), FQ is commonly used in studies as financial literacy and financial capability, which makes it hard to compare studies across studies (Remund, 2010; Hung et al., 2009). Only 15 out of the 52 Research papers have given the term, Financial Quotient, explicit treatment (Remund, 2010; Hung et al, 2009; Xiao and Porto, 2017). Cultural differences also contribute to this confusion. The saving in France has been reported to mention that it is a saving with a goal of having financial security (Arrondel et al, 2013) whereas in the United States, saving is associated with financial security (Arrondel et al, 2013). States, it is an inseparable part and parcel of investment to earn wealth (Bucher-Koenen and Lusardi, 2011). FQ definitions in Japan are cultural emphasis towards saving, whereby emphasis is made over the conservative financial plans (Sekita, 2011). Willis (2008) states that the focus on the FQ as an individual may be so strong that some systemic issues such as the absence of. equal access to acceptable financial services are overlooked, meaning that the greater the levels of contextual variables can be considered.

Ageneric definition of knowledge, skills, behaviors and contextual variables is either withered, or a generalized one. which is essential to play its role in advancing FQ research as well as making it cross-cutting (Goyal & Kumar, 2021; Remund, 2010; Fernandes et al, 2014). Fernandes and associates (2014). The fact that there is no consensus on the definition of FQ does not only have a theoretical implication in the real world. It complicates the process of researchers being able to compare the outcomes of various studies, which limits the development of a coherent knowledge base (Goyal & Kumar, 2021). It complicates those in charge of generating financial education program to be effective since it is not clear what constitutes financial literacy (FQ), which makes it challenging to focus on specific behaviour or abilities (OECD, 2020). In addition, the setting specificity of the situation is described by the fact that there is cultural diversity in the definition of FQ. An example is that family obligations can be a factor in monetary choices in collectivist cultures such as India, which are not seldom considered in the Western-focused FQ models (Grohmann et al, 2018). It is essential to address these definitional issues in order to promote theoretical knowledge and the use of FQ in practice.

Measuring Financial Quotient

Assessment of FQ is similar to that of a chef, not in terms of knowledge on recipes presented, but how well he or she can make a meal. The tools that are used by researchers are varied and have unique advantages and disadvantages. Self-reported surveys are the predominant, including the OECD Financial Literacy Survey that includes tests on financial knowledge, habits, and confidence of 26 countries (OECD, 2020). Questions may include, do you save a certain amount of money every month or how does the interest on a loan work? These surveys give a wide picture yet are vulnerable to self-reporting bias where a person is likely to overestimate their financial competence (Klapper et al., 2015; Hilgert et al., 2003). The gap between the reality and perception is illustrated e.g. when a person claims that he is good at budgeting yet repeatedly spends money out of his pocket (Klapper et al, 2015).

Objective tests provide an approach that is more rigorous. As an example, the Big Three Questions by Lusardi and Mitchell require their participants to estimate the risk of investments, their understanding of inflation, and simple interest computation (Lusardi and Mitchell, 2011). Few of the three questions mean that just one-third of Americans are able to respond to all three

questions, which means that they have serious gaps in their knowledge (Lusardi and Mitchell, 2014). Those tests come in handy when measuring knowledge; however, the scale does not capture such behaviours as saving money on an emergency or making payments on time (Xiao et al, 2014; Atkinson and Messy, 2012).To overcome this, composite tests, such as the Financial Capability Scale, can measure such behaviours as saving money during an emergency or paying bills on time (Xiao et al, 2014; Atkinson and Messy, 2012).More validation on these tests is required, however, to ensure their reliability.

The fact that these tools can hardly be applied cross-culturally as well as cross-economically is a major setback. Surveys and tests crafted in the western world, including the United States of America or Europe, are not always able to reflect financial reality in areas like India, where mobile payment systems like Paytm have supplanted them, or Kenya, where M-Pesa is popular (Grohmann et al., 2018; Klapper et al., 2015; Jappelli and Padula, 2013). A huge gap exists in that only 10% of the reviewed 52 studies used measurement tools in non-Western settings (Grohmann et al., 2018; Calcagno and Monticone, 2015). Besides, most of the tools are not psychometrically valid, that is, they have not been properly proved to be fair to age, income, or cultural mixes (Stolper and Walter, 2017; Goyal and Kumar, 2021). In one instance older adults may not perform high in financial tests, which this could be due to the question format being outdated and not reflecting low FQ (Hilgert et al., 2003; Lusardi and Mitchell, 2008). A survey of New Zealand and Italy also reports the same, showing that tools do not consider local financial habits, including rural community-based savings (Crossan et al., 2011; Fornero and Monticone, 2011).

There is an urgent necessity in the development of reliable culturally sensitive measurement tools. In the absence of such tools, cross-population comparisons will become invalid, and interventions will lack the ability to account for the financial decision-making model of the African interior, where formal banks will be unavailable to the population (Goyal and Kumar, 2021; Stolper and Walter, 2017).To illustrate, the same survey questionnaire that will be directed towards the urban Americans will fail to capture the financial decision-making model of the African interior, as the population will have no access to formal banks (Grohmann et al, 2018 The future study should aim at formulating validated and flexible to measure various financial ecosystems and demographic facts. Influences and Effects of Financial Quotient.

The process by which we establish FQ and its influence on high- FQ individuals and non- high-FQ individuals. The design of interventions in relation to their environment depends on society. According to the studies analyzed, there are several key determinants and effects of FQ which, as such, imply enormous implication with regard to personal well- being and financial stability.

Education: Formal education affects to the development of economic quotient particularly college education has huge impact in development of FQ. As Lusardi and Mitchell (2014) argue, college graduates list a 20 percentile higher on exams of financial knowledge that non-graduate individuals and less educated individuals. School-based financial education, in which students study, say, how to budget, how to read loans, etc. increases FQ (Mandell and Klein, 2009; Clark et al, 2012; Gallery et al, 2011). In an example, the Australian and New Zealand programs have been able to integrate financial literacy in the program. This will be offered in the secondary school curriculums to improve financial behaviours among the students (Crossan et al, 2011).

Socio-Economic Status: With increased income and wealth, the access to monetary advice and instruments becomes more available increasing FQ (Kempson et al., 2017; Behrman et al., 2012). On the other hand, individuals with low income usually have short-term plans that prevent financial planning in the long-term, which leads to lower FQ scores (Kim et al., 2016; Jappelli and Padula, 2013). This gap highlights the necessity of specific measures towards the vulnerable populations.

Parental Socialization: This concept's initial discussions about finance with the parents are extremely important in the formation of FQ. In Grinstein-Weiss et al. (2012), authors got the same conclusion, except that they found that teenagers whose parents instructed them on budgeting were more likely to save as adults. On the same note, Serido et al. (2013) noted that colleges students who had been guided by their parents had superior money management practices (Shim et al., 2010).

Psychological and Cultural Factors: Psychological personalities, including self-efficacy (confidence in handling finances) have an impact on FQ. According to (Farrell et al.,2016), high self-efficacy women had excellent financial management even though their score was low in the knowledge tests (Mottola, 2013). FQ is also influenced by cultural attitude. As an illustration, the Japanese culture of saving also results in an increase in FQ scores of

conservative financial behaviours (Sekita, 2011), whereas in Germany the risk-averse attitude determines investment choices (Bucher-Koenen & Lusardi, 2011). The under-researched nature of these factors lies especially in the non-Western setting (Xiao and Porto, 2017; Grohmann et al., 2018; Almenberg and Dreber, 2015; Brown and Graf, 2013).

Impacts of Financial Quotient

Reduced Financial Stress: High-FQ also perceives a 30 percent decrease in their financial anxiety, helping them to achieve mental and physical health outcomes (Kempson et al., 2017; Netemeyer & Warmath, 2016; Xiao & ONeill, 2016). In other words, when the budgeting skills are solid, one is less likely to worry about the unforeseen cost.

Improved Financial Behaviours: Low FQ is linked to an increased level of credit card debt and a reduced level of savings. According to Allgood and Walstad (2016), such high FQ would decrease the probability of a person taking debt on a monthly basis, whereas Lusardi and Tufano (2015) observed that they avoided predatory loans, including payday advances (Robb & Woodyard, 2011).

Enhanced Long-Term Planning: Higher FQ results in improved retirement savings strategies, as those being in possession of high FQ will save 15 per cent more toward their retirement (Lusardi & Mitchell, 2011). These are the people who have a higher probability of investing in diversified assets, e.g., stocks or mutual funds (Yoong, 2011; Gaudecker, 2015; Gallery et al., 2011).).

Economic Stability: On a societal scale, a general high FQ minimizes the issue of risky borrowing habits, which can help avoid economic crisis such as the 2008 financial meltdown situation (Hastings et al., 2013; Thaler & Benartzi, 2004; Atkinson & Messy, 2012). FQ helps in promoting macroeconomic resilience by having wise financial choices by its members.

Although these are valuable insights, important gaps can be noted in research. There are only three of the review studies that monitored the effects of FQ over time, which impedes one to understand the long-term effects of FQ (Gutter et al., 2010; Xiao & ONeill, 2016; Jappelli & Padula, 2013). Most of the research attempts are devoted to analyzing countries of the Western world and do not cover such regions as Africa or Latin America, where the financial system

looks quite different (Grohmann et al., 2018; Calcagno & Monticone, 2015). There are gender differences in the measures and traditionally, females rank lower in FQ scales and this needs to be further researched to identify bias in measurement or systemic obstacles (Almenberg & Dreber, 2015; Mottola, 2013; Lusardi & Mitchell, 2008). Self-efficacy or collectivist values can be discussed as psychological and cultural variables and require further investigation, especially in multicultural settings around the globe (Xiao & Porto, 2017; Brown & Graf, 2013; Farrell et al., 2016).

Research Methodology

This SLR adheres to the PRISMA 2020 guidelines to ensure transparency, rigor, and reproducibility.

Eligibility Criteria

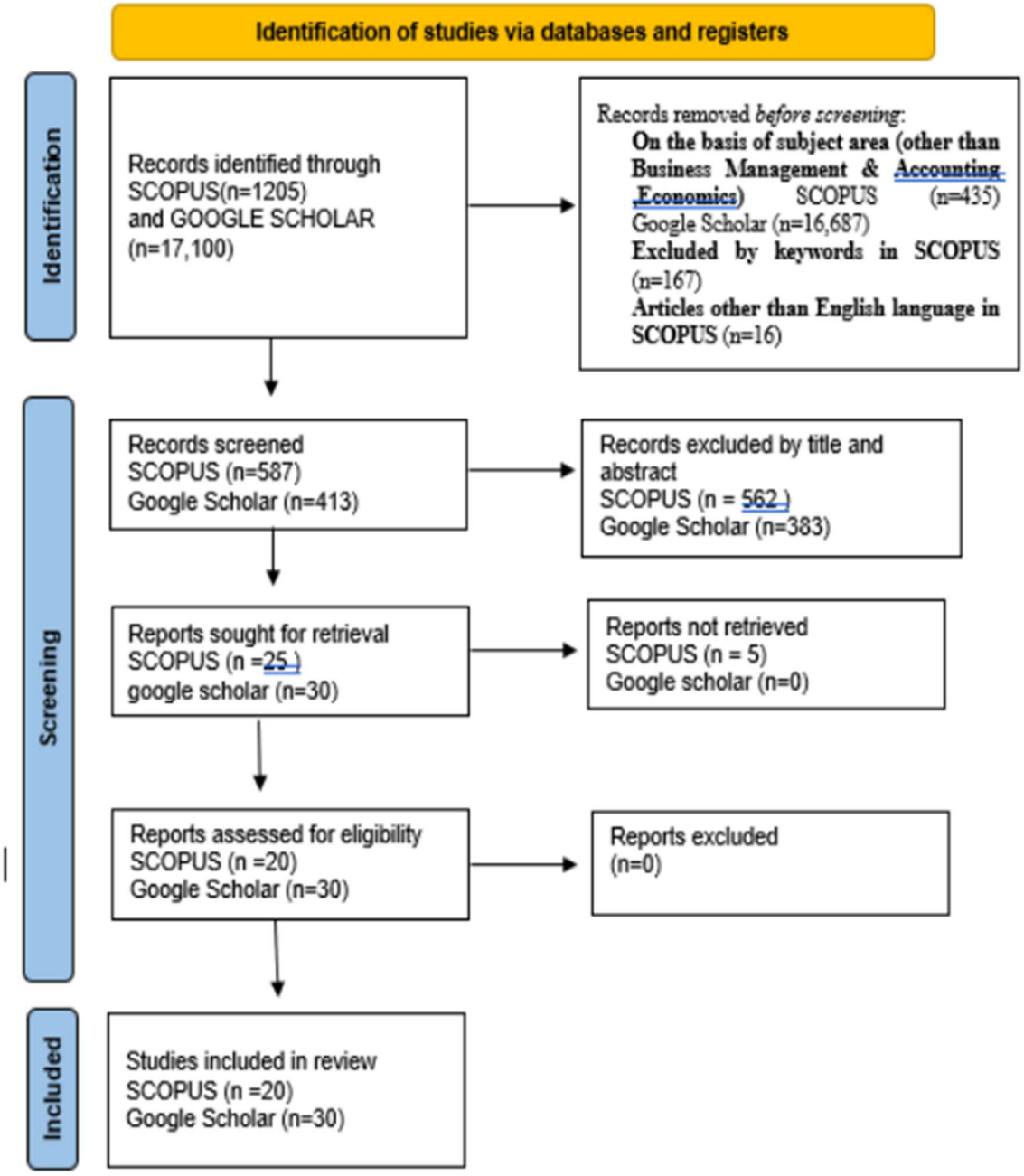
Selected studies included peer-reviewed articles or reviews addressing FQ or related constructs (e.g., financial literacy, financial capability), published in English between 2000 and 2025, with a focus on personal finance. Studies could be empirical (e.g., surveys, experiments), theoretical, or reviews. Excluded were non-peer-reviewed sources (e.g., blogs, books), studies on corporate finance, or non-English papers to maintain focus and accessibility.

Search Strategy

Searches were conducted through Scopus and Google Scholar using keywords such as "Financial quotient" OR "Financial intelligence quotient" OR "Financial literacy" OR " Financial capability" AND "Financial behaviour" OR "Financial Well Being". Filters restricted results to articles or reviews, English language, and the period 2000–2025. Citation searching (backward and forward) identified additional relevant studies, including foundational works by Lusardi and Mitchell (2014) and Huston (2010).

Study Selection

Choosing Studies The search results were sent to Zotero to be organized, and Rayyan software was used to get rid of duplicates. A total of (1205+ 17100) records were identified of which (435+16687) with different subject area were (removed), (562+383) were excluded at title/abstract stage. 5 retrieved, (20+30= 50) studies were included.



Data Extraction

The Data was extracted into an accepted form of the template that gave an appearance of the study, definitions, measurement tools, determinants and effects, FQ characteristics (such as the country, year and author) and limitations. The precision of the extraction was counter-checked. The methodology of the study, sample size and reporting clarity were also judged.

Synthesis

The different study designs made it so that a narrative synthesis was performed, with the following three points: Thematic areas that define FQ, how to measure FQ, its determinants and effects. Thematic analysis helped to combine the qualitative and the quantitative findings, and this was in accordance with PRISMA guidelines.

Conclusion

The systematic literature review presents 52 peer-reviewed articles published between 2000 and 2025 with Financial Quotient (FQ) as a critical skill to negotiate the challenges of the contemporary personal finances (Lusardi and Mitchell, 2014; Huston, 2010; Xiao et al., 2014). FQ incorporates financial literacy (e.g. knowing interest rates), applied skills (e.g. budgeting), and informed behaviours (e.g. saving habitually) and has a more specific and extensive framework than traditional financial literacy (Remund, 2010; Fernandes et al., 2014; Hung et al., 2009). This review confirms conceptual vagueness as some studies refer to knowledge (Lusardi and Mitchell, 2014), some refer to skills (Huston, 2010), and some refer to behaviours (Xiao et al., 2014). Common measurement tools include OECD Financial Literacy Survey (OECD, 2020) and Lusardi big three questions (Lusardi and Mitchell, 2011), which have qualitative tools, and are not cross-culturally or psychometrically validated, which restricts their use in a variety of contexts (Goyal and Kumar, 2021; Stolper and Walter, 2017; Klapper et al., 2015). Education, socio-economic status, and parental socialization are some of the main determinants of FQ, and the role of such psychological elements as self-efficacy and cultural influences is increasingly becoming evident (Atkinson and Messy, 2012; Grinstein-Weiss et al., 2012; Farrell et al., 2016; Xiao and Porto, 2017; Sekita, 2011).

High FQ is linked with a number of great advantages, such as less financial stress, better debt management, and better retirement planning, but longitudinal data are scarce (Kempson et al., 2017; Allgood and Walstad, 2016; Lusardi and Mitchell, 2011; Xiao and O'Neill, 2016; Van Rooij et al., 2011). The review indicates a number of important gaps in research that provide clear guidelines on how the future investigation should be. First, having no standardized definition of FQ prevents comparative research and policy adoption (Goyal & Kumar, 2021; Remund, 2010). It is important to have a single framework that encompasses knowledge, skills characteristics, behaviours, and contextual elements to move the field forward (Fernandes et al., 2014; Xiao et al., 2014). Second, measurement scales need to be rigorously psychometrically validated so that they are reliable in varying populations, such as rural populations in Africa, older adults in Europe, and low-income populations across the world (Goyal and Kumar, 2021; Stolper and Walter, 2017; Grohmann et al., 2018; Hilgert et al., 2003; Lusardi and Mitchell, 2008). Third, the studies included in the literature review (80 percent) are biased to include purely those fields which are Western centric and excludes the articles about areas with vastly different financial systems, such as mobile banking in Kenya or microfinance in India, and therefore the coverage needs to be diversified by including geographically diverse countries (Grohmann et al., 2018; Klapper et al., 2015; Calcagno and Monticone, 2015). Fourth, there is a deficit of longitudinal research, which limits the information about the longitudinal implications of FQ, at least concerning the activity of the early interventions (Gutter et al., 2010; Xiao and O'Neill, 2016; Jappelli and Padula, 2013). And finally, little-studied psychological and cultural factors of financial decision-making include self-efficacy, risk tolerance and collectivist values, which in a non-western context can explain a significant proportion to a considerable explanation (Farrell et al., 2016; Xiao and Porto, 2017; Sekita, 2011; Brown and Graf, 2013; Almenberg and Dreber, 2015).

To enhance financial education and enhance economic resilience, the implication of these findings are helpful to policymakers. Appropriate literacy on finances that have been introduced into a school curriculum and into teacher training such as in the case of Australia and New Zealand can equip the youth with skills in financial budgeting and management (OECD, 2020; Crossan et al., 2011; Mandell and Klein, 2009). The low-income workers could be reduced to financial stress and savings could be fostered using a workplace financial wellness program (Kempson et al., 2017; Atkinson and Messy, 2012). Mobile technological financial literacy applications could find potential in developing economies, where they have

been employed to facilitate financial habits of the unsupported in rural India (Grohmann et al., 2018). These interventions should not be only dedicated to a change of behavior but, additionally, the knowledge itself since the evidence indicates that the real application results in success in the field of finances (Fernandes et al., 2014; Thaler and Benartzi, 2004; Robb and Woodyard, 2011).

To the researchers, this review suggests a conceptual model (Figure 2) in which the dimensions, determinants, and effects of FQ are connected to inform further studies (Lusardi and Mitchell, 2014; Huston, 2010; Xiao et al., 2014). Multidisciplinary methods, incorporating the knowledge of economics, psychology, or social forces, might explain the ways in which financial judgments are influenced by cultural orientations, confidence, or social demands (Hastings et al., 2013; Arrondel et al., 2013; Brown and Graf, 2013). Cohort studies in between young populations and adults should be supported to determine the sustainability of the benefits of early FQ intervention (Gutter et al., 2010; Jappelli and Padula, 2013). Research on cross-cultural, especially African, South-Asian and Latin-American settings, is essential in how far FQ can be applied globally, especially in areas that have a different financial image (Grohmann et al., 2018; Fornero and Monticone, 2011; Calcagno and Monticone, 2015). The gap in FQ performances might also be reduced by considering the differences between genders and institutional disadvantages, including access to financial products (Almenberg and Dreber, 2015; Mottola, 2013).

The weaknesses of this SLR are that it focuses on English-language studies and thus this could bar significant non-Meta-analysis studies. To better understand the topic, future reviews could be supplemented by non-English content or focus more on specific dimensions of the FQ, such as behaviour or cultural influences (Xiao et al, 2014). In addition, relying on the studies carried out since 2000 and 2025 could fail to capture the emerging trends beyond 2025, therefore, reviews will have to be regular to consider the changing financial environment.

To sum up, in a world that is increasingly becoming complex, financial quotient is necessary to the economic stability as well as financial empowerment. This SLR provides a foundation to standardise the conceptualisation of FQ through integration of past studies enhance the measurement tools and offer evidence-based policy. It makes it clear that it is of high urgency to close gaps in research by applying standardised definitions, validated instruments, and a

variety of long-term studies. FQ has the potential to enhance individual wellbeing and help in making global economies resilient to the impact of adversity by providing them with the information, skills and behaviours that enable them to manage the monetary challenges. This will open the door to a better future where the population is able to live comfortably (OECD, 2023; Hastings et al, 2013).

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