RESEARCH ARTICLE

FINANCIAL LITERACY AND DECISION-MAKING IN FRAGILE ECONOMIES: A SOCIAL DEVELOPMENT PERSPECTIVE FROM SALARIED EMPLOYEES IN TAIZ, YEMEN

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Manuscript Info	*Abstract*
……………………. 	…………………………………………………………………… This study explored the relationship between financial literacy and financial decision-making among salaried individuals in Taiz, Yemen, a region experiencing ongoing economic fragility. A structured questionnaire was administered to 105 respondents across public, private, and informal employment sectors using a purposive sampling approach. We foundan overall moderate financial literacy with a strong positive correlation with financial decision-making(r = 0.947). Regression analysis revealed that financial literacy explains nearly 90% of the variation in financial decision-making scores (R^2 = 0.897). These findings highlight the essential role of financial literacy in enabling individuals to make informed financial decisions in times of economic instability. Ourstudy contributes to social development literature by highlighting how financial education contributes to individual empowerment and community resilience in unstable or fragile economies. It has practical implications for policymakers, educators and NGOs seeking to improve economic stability and security through financial literacy initiatives.This study is among the first to empirically validate the impact of financial literacy on decision-making in Yemen.

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Background:

Financial literacy has emerged as a critical global competency that significantly shapes individuals' financial decisions, economic resilience, and overall well-being. In Taiz, the third-largest city in Yemen, the impact of prolonged economic instability, characterized by salary delays, diminished purchasing power, limited formal investment avenues, and reliance on informal practices such as borrowing from relatives or hoarding cash, underscores the urgent need to enhance financial literacy among salaried individuals. Despite the global acknowledgement of financial literacy's importance, research in Yemen remains sparse, particularly among public,

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private, NGO, and informal sector employees. Existing studies in the MENA region tend to focus on relatively stable economies, leaving a notable gap in understanding how Yemen's unique economic challenges, such as hyperinflation, currency devaluation, and restricted banking access, influence financial decision-making. This study addresses these gaps by evaluating financial literacy levels among salaried individuals in Taiz and examining how their financial knowledge, behaviour, and attitudes affect their decision-making in a fragile economic environment. The theoretical foundation of this study is based on the Theory of Planned Behaviour (TPB) (Ajzen, 1991), supplemented by key insights from behavioural economics. The TPB states that individual behaviour is shaped by three primary components: attitudes toward the behaviour, subjective norms, and perceived behavioural control. When it comes to financial decision-making, this theory helps us understand how salaried individuals make plans to save, budget, or invest based on what they believe, what their friends and family say, and how capable they think they are of doing something. In a place like Taiz, where financial uncertainty and economic fragility exist, perceived behavioural control becomes especially important because people often have trouble making smart financial decisions because of outside factors. The study incorporates behavioural economics concepts to deepen this understanding, emphasizing how emotional and cognitive factors impact financial behaviour, especially in times of stress or scarcity. Bounded rationality (Simon, 1957), overconfidence bias (Barber & Odean, 2001), and loss aversion (Tversky & Kahneman, 1979) are some of the concepts that shed light on why people might, for example, put off saving, use cash instead of banks, or miscalculate financial risks. In fragile economies where psychological stress, financial exclusion, and information asymmetry are prevalent, these biases are particularly noticeable. A comprehensive and human-centred theoretical model that encompasses both the deliberate elements of financial behaviour and the practical cognitive constraints faced by Taiz salaried individuals is adopted by this study through the integration of TPB and behavioural economics. This framework offers a more contextualized understanding of how financial literacy serves as a survival strategy in unstable economic environments as well as a tool for development, besides helping in the clarification of observed behaviours.

Review of Literature: -

Prior research has offered valuable insights into the dynamics of financial literacy and decision-making across different contexts. Million Assefa and Dr Durga Rao (2018) observed risk-averse investment choices among financially literate Ethiopian employees, while Evans Oteng (2019) found a strong correlation between financial knowledge and investment behavior in Ghana. These studies reflect the importance of financial knowledge in influencing investment behavior, especially in relatively stable African economies.In a similar vein, several studies have focused on the behavioral and psychological dimensions of financial literacy. Hamdan and Zayed (2021) highlighted the significant role of behavior and attitudes in shaping financial literacy among Yemeni micro-entrepreneurs. Maryam Mirzaei (2022) noted a disconnect between attitudes and knowledge among Omani adults, illustrating that financial knowledge does not always align with financial behavior or confidence. Likewise, Taiwo Ibitomi, Durotimi Amos Dada, Bankole Aderotimi and Paulina Shittu Gaude-Jiwul (2024), along with Maheshwari, H., Samantaray, A.K., Panigrahi, R.R. and Jena, L.K (2025), emphasized that the influence of financial literacy becomes more pronounced when mediated by psychological factors such as attitude and overconfidence.Although these studies offer insightful information, they mostly concentrate on particular occupational groups or economies that are comparatively stable. Unlike previous studies that focus on micro-entrepreneurs, entrepreneurs, or general populations in stable settings, this study examines salaried individuals in Taiz, Yemen, a population that has neverreceived attention in existing research. Understanding the relationship between the knowledge, behaviour, and attitude components of financial literacy in times of severe economic instability is still missing. Continuous pay disruptions, hyperinflation, and informal financial dependence create distinctive difficulties in Yemen, especially in Taiz, which can skew or prevent sensible financial behaviour. In order to address this gap, this study uses a comprehensive structure that combines behavioural economics and the Theory of Planned Behavior to empirically investigate how financial literacy affects decision-making among Taiz's salaried individuals. It expands the argument on financial literacy as a means of fostering resilience and empowerment in the face of economic hardship and offers new insights from a fragile economy.

Research Objectives: -
1. To assess the current level of financial literacy of salaried individuals in Taiz, Yemen.
2. To evaluate the relationship between financial literacy and financial decision-making in a fragile economic context.

Hypothesis of the Study:
H1: There is a significant relationship between financial literacy levels and financial decision-making among salaried individuals in Taiz, Yemen.

Research Methodology: -
This study employed a quantitative, survey-based approach to assess financial literacy and its impact on financial decision-making among 105 salaried individuals in Taiz, Yemen. Weused a purposive sampling approach to ensure diverse representation. Respondents who satisfied the following predetermined inclusion criteria were specifically chosen (1) they had to be at least eighteen years old, (2) they had to be receiving a fixed or regular salary (either monthly or biweekly), and (3) they had to be working in Taiz's public, private, non-profit, or informal sectors.Data were collected through a structured questionnaire divided into three sections: financial knowledge (measured via true/false and multiple-choice questions), financial behaviour, and financial attitudes (measured using a 5-point Likert scale). The survey was distributed both online and offline. Data analysis was conducted using IBM SPSS 30. Descriptive statistics summarized demographic and literacy levels, while correlation and regression analyses explored the relationship between financial literacy and decision-making. Ethical standards, including informed consent and confidentiality, were strictly followed.

Reliability and Validity
To assess the internal consistency of the financial literacy scale, a reliability test was conducted using Cronbach's Alpha. The analysis yielded a Cronbach's Alpha value of **0.918** for the 28 items, indicating excellent internal consistency and a high level of reliability in the measurement instrument.The high reliability score reflects the clarity, consistency, and internal coherence of the items, indicating that the respondents interpreted the questions similarly and that the instrument effectively captured the components of financial literacy.Regarding validity, content validity was ensured through expert review and adaptation of established international instruments, particularly the OECD/INFE (2018) financial literacy toolkit. Three Experts in finance and education assessed the questionnaire for relevance, clarity, and cultural appropriateness, confirming its suitability for the Yemeni context, one with doctoral degree in finance, one with a master's in educationand one practitioner with over 10 years of field experience in Arabic Literature.

Results and Discussion: -
Table 3.1:- Demographic and Socioeconomic characteristics of the Respondents.

Demographic and Socioeconomic Profile			
Variable	Category	Frequency	Percentage
Gender	Female	30	28.6%
	Male	75	71.4%
	Total	105	100.0%
Age group	Below 18 years	0	0.0%
	18-25 years	16	15.2%
	26-35 years	27	25.7%
	36-45 years	31	29.5%
	46-55 years	28	26.7%
	Above 55 years	3	2.9%
	Total	105	100.0%
Marital Status	Single	36	34.3%
	Married	62	59.0%
	Other	7	6.7%
	Total	105	100.0%
Educational Level	No formal education	1	1.0%
	Primary education	2	1.9%

	Secondary School	4	3.8%
	Vocational/Technical training	2	1.9%
	Diploma/Associate Degree	21	20.0%
	Bachelor's Degree	59	56.2%
	Master's/Doctorate	16	15.2%
	Other	0	0.0%
	Total	105	100.0%
Monthly Income (Yemeni Riyals)	Below 50,000 YR	15	14.3%
	50,000 - 75,000 YR	17	16.2%
	75,001 - 100,000 YR	24	22.9%
	100,001 - 150,000 YR	17	16.2%
	150,001 - 200,000 YR	7	6.7%
	200,001 – 250,000 YR	8	7.6%
	More than 250,000 YR	17	16.2%
	Total	105	100.0%
Employment Type	Full-time employee	55	52.4%
	Part-time employee	21	20.0%
	Informal worker	29	27.6%
	Total	105	100.0%
Experience	Less than 1 year	9	8.6%
	1 - 3 years	22	21.0%
	4 - 6 years	12	11.4%
	7 - 10 years	12	11.4%
	More than 10 years	50	47.6%
	Total	105	100.0%
Sector	Government	42	40.0%
	Private	56	53.3%
	NGOs	7	6.7%
	Total	105	100.0%

Source: Authors' calculations based on primary data.

Analysis and Interpretation:-

The demographic and socioeconomic profile of the 105 respondents demonstrated a predominantly male sample (71.4%), with a significant portion (83.8%) in the age range of 26-55 years, suggesting that most participants are in the middle stages of their careers. A majority of the respondents were married (59.0%), reflecting potential family-related financial responsibilities. Educationally, the respondents were highly qualified, with over half holding a Bachelor's degree (56.2%), while fewer individuals had higher qualifications or no formal education. In terms of income, the largest proportion earned between 75,001 and 100,000 YR (22.9%), and respondents were spread across various income brackets. Employment data indicated that 52.4% were full-time employees, 27.6% were informal workers, and 20.0% were part-time employees. Additionally, nearly half (47.6%) of the respondents had over 10 years of work experience, reflecting a well-established workforce. The majority worked in the private sector (53.3%), with a notable proportion employed in the government sector (40.0%). This profile provides valuable context for understanding the financial literacy and behaviour of salaried individuals in this study.

Table 3.2:- Financial Literacy Score Categories.

Score Range (%)	Category	Interpretation
0-39	Very Low Financial Literacy (1)	Individuals in this category lack basic financial knowledge and skills, often struggling with budgeting, saving, and understanding financial risks. This makes them highly vulnerable to financial mismanagement. Therefore, targeted financial education is crucial to improving their financial well-being.
40-59	Low Financial Literacy (2)	These individuals possess some awareness of financial concepts but lack the confidence to apply them effectively. As a result, they may make suboptimal financial decisions. Providing additional support and guidance is essential to

		enhancing their financial well-being.
60-79	Moderate Financial Literacy (3)	Individuals in this range exhibit a solid understanding of financial concepts and can effectively manage their day-to-day finances. However, they may require further education on more complex topics such as investments, retirement planning, and financial risk management to enhance their long-term financial decision-making.
80-100	High Financial Literacy (4)	These individuals demonstrate a high level of financial knowledge, skills, and behaviors. They are capable of making informed financial decisions, planning for the future, and effectively optimizing their financial resources.

Table 3.3:- Descriptive Statistics of Financial Literacy Components.

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Financial Knowledge	105	8.33	83.33	52.2222	16.51642	272.792
Financial Behaviour	105	20.00	100.00	69.0714	19.44932	378.276
Financial Attitude	105	20.00	100.00	73.3810	17.71496	313.820
Financial Literacy	105	14.75	85.75	62.3512	13.98063	195.458
Valid N (listwise)	105					

Source: Authors' calculations based on primary data.

The financial literacy levels of salaried individuals in Taiz, Yemen, were evaluated using descriptive statistics across three core components: financial knowledge, financial behavior, and financial attitude. A weighted scoring formula was applied, allocating 45% to financial knowledge including applied knowledge and real-life scenarios, 35% to financial behavior, and 20% to financial attitude. This structure reflects the relative influence of each component on financial decision-making. Financial knowledge received the highest weight as it forms the foundational basis for sound financial choices (Atkinson & Messy, 2012). Behavior was weighted slightly less due to its practical impact on financial outcomes, while attitude, though important, was given a smaller share as it influences intentions more than actual decisions (OECD, 2016).

Analysis &Interpretation:-
The descriptive analysis of financial literacy among salaried individuals in Taiz, Yemen, revealed moderate levels across key domains, knowledge, behavior, and attitude. Respondents scored an average of **52.22** in financial knowledge (SD = 16.52), indicating a basic understanding of financial concepts but with notable gaps and disparities. Financial behavior showed a higher mean of **69.07** (SD = 19.45), suggesting generally positive practices such as budgeting and saving, though their consistency varied. Financial attitude had the strongest mean score of **73.38** (SD = 17.71), reflecting favorable perceptions toward planning and financial responsibility. The **overall financial literacy mean was 62.35** (SD = 13.98), revealing a moderate literacy level within the sample. These results underscore the need for targeted educational efforts that not only raise financial knowledge but also bridge the gap between attitude and action to support informed financial decision-making in fragile economic conditions.

**Table 3.4;-** Distribution of Respondents by Financial Literacy Category.

Financial Literacy Category		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Low Financial Literacy	8	7.6	7.6	7.6
	Low Financial Literacy	26	24.8	24.8	32.4
	Moderate Financial Literacy	65	61.9	61.9	94.3
	High Financial Literacy	6	5.7	5.7	100.0
	Total	105	100.0	100.0	

Source: Authors' calculations based on primary data.

Analysis &Interpretation:-

The financial literacy levels among salaried individuals in Taiz, Yemen revealed significant disparities: 7.6% exhibited very low literacy, 24.8% fell under low literacy, 61.9% demonstrated moderate literacy, and only 5.7% achieved high literacy. The findings revealed a significant gap in financial knowledge, with the majority of individuals demonstrating only a moderate understanding of key financial principles. This underscores a critical opportunity to enhance financial decision-making within the workforce by addressing the prevalent deficiencies in financial literacy. Targeted interventions aimed at improving financial understanding could contribute to more informed decision-making and better financial outcomes across the population

Graph 3.1:- Distribution of Respondents by Financial Literacy Category.
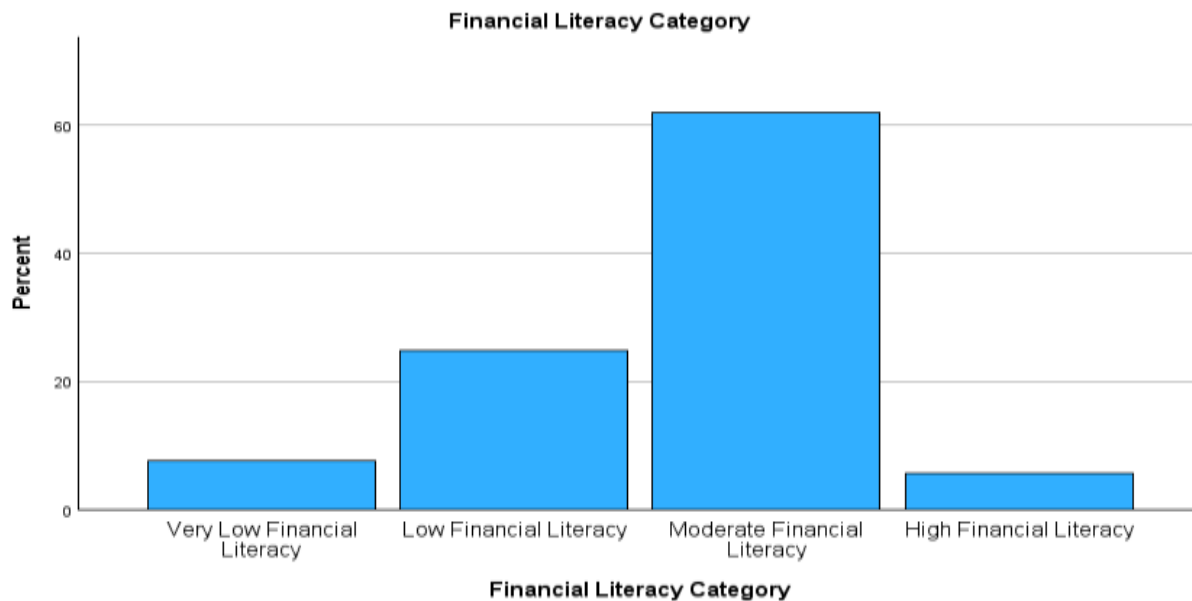
Source: Authors' calculations based on primary data.

Analysis &Interpretation:-

The above graph (3.1) demonstrated the distribution of individuals at four levels of financial literacy: very low, low, medium and high. Data showed that about 62%, a sufficient majority were classified under moderate financial literacy. It indicated that while most individuals had a basic understanding of financial concepts, their knowledge was often inadequate to manage complex financial decisions, especially in terms of economic uncertainty. About 25% of respondents found low financial literacy, which reflects a considerable part of the population with limited capacity to effectively handle everyday financial matters. In addition, about 8% of the individuals fell into very low financial literacy category, even pointing to a significant difference in the most essential financial knowledge. In contrast, only 5% of the population demonstrated high financial literacy, revealing the lack of individuals equipped with advanced financial skills.These findings highlighted the immediate need for structured financial education programs. The dominance of moderate and low literacy levels suggested that the current efforts were not preparing individuals to make sufficient sound financial decisions. It will be necessary to address this difference - from community workshops and school courses to special training for adults working to suit various literacy levels. Additionally, efforts to enhance the ratio of high financial literacy persons may have contributed significantly to increase personal financial welfare and promote economic flexibility on a large scale. Overall, the graph underlined the importance of an active, inclusive and well -targeted approach to improve financial literacy in all areas of the population.

Table 3.5:-Financial Decision-Making Score Categories.

Score Range (%)	Category	Interpretation
0-39	Very Low Financial Decision-Making (1)	Individuals in this category lack fundamental financial knowledge and behaviors, resulting in poor financial decisions and increased vulnerability to mismanagement. Targeted financial education is essential to address these gaps and improve financial outcomes.
40-59	Low Financial Decision-Making (2)	These individuals possess some awareness of financial concepts but struggle with applying them effectively, resulting in suboptimal financial decisions. Additional support and guidance are necessary to help improve their financial decision-making and overall financial outcomes.
60-79	Moderate Financial Decision-Making (3)	These individuals have a solid understanding of financial concepts and effectively manage their day-to-day finances. However, they may benefit from further education on more complex financial decisions, such as investments, retirement planning, and risk management, to enhance their long-term financial strategy.
80-100	High Financial Decision-Making (4)	These individuals demonstrate strong financial knowledge and behaviors, enabling them to make informed decisions and effectively plan for the future. Their ability to manage resources and anticipate financial needs contributes to their long-term financial stability and success.

Table 3.6:-Descriptives Statistics of Financial Decision-Making Score.

Descriptives Statistics					
		Financial Knowledge	Financial Behaviour	Financial Attitude	Financial Decision-Making Score
N	Valid	105	105	105	105
	Missing	0	0	0	0
Mean		52.2222	69.0714	73.3810	66.9944
Std. Deviation		16.51642	19.44932	17.71496	15.55726
Variance		272.792	378.276	313.820	242.028
Minimum		8.33	20.00	20.00	17.67
Maximum		83.33	100.00	100.00	91.67

Source: Authors' calculations based on primary data.

**Table 3.7:-** Distribution of Respondents by Financial Decision-Making Category.

Financial Decision-Making Category		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Low Financial Decision Making	8	7.6	7.6	7.6
	Low Financial Decision Making	16	15.2	15.2	22.9
	Moderate Financial Decision Making	66	62.9	62.9	85.7
	High Financial Decision Making	15	14.3	14.3	100.0
	Total	105	100.0	100.0	

Source: Authors' calculations based on primary data.

Analysis &Interpretation:-

The analysis of financial decision-making scores among salaried individuals in Taiz, Yemen, revealed varying levels of financial knowledge, behavior, and attitudes. The average financial knowledge score was 52.22, with a standard deviation of 16.52, indicating moderate variability in individuals' understanding of financial concepts. Financial behaviourhad a mean score of 69.07 (SD = 19.45), suggesting relatively higher consistency in managing finances. Financial attitudes scored an average of 73.38 (SD = 17.71), indicating a generally positive outlook toward financial matters. The overall financial decision-making score averaged 66.99 (SD = 15.56), reflecting moderate decision-making abilities. In terms of distribution, 7.6% of respondents had very low decision-making skills, 15.2% had low skills, 62.9% were moderate, and 14.3% demonstrated high financial decision-making abilities. Overall, 78.1% of respondents fell into the low to moderate categories, indicating a need for further financial education to improve decision-making, particularly in more complex financial scenarios.

Graph 3.2:- Distribution of Respondents by Financial Decision-Making Category.
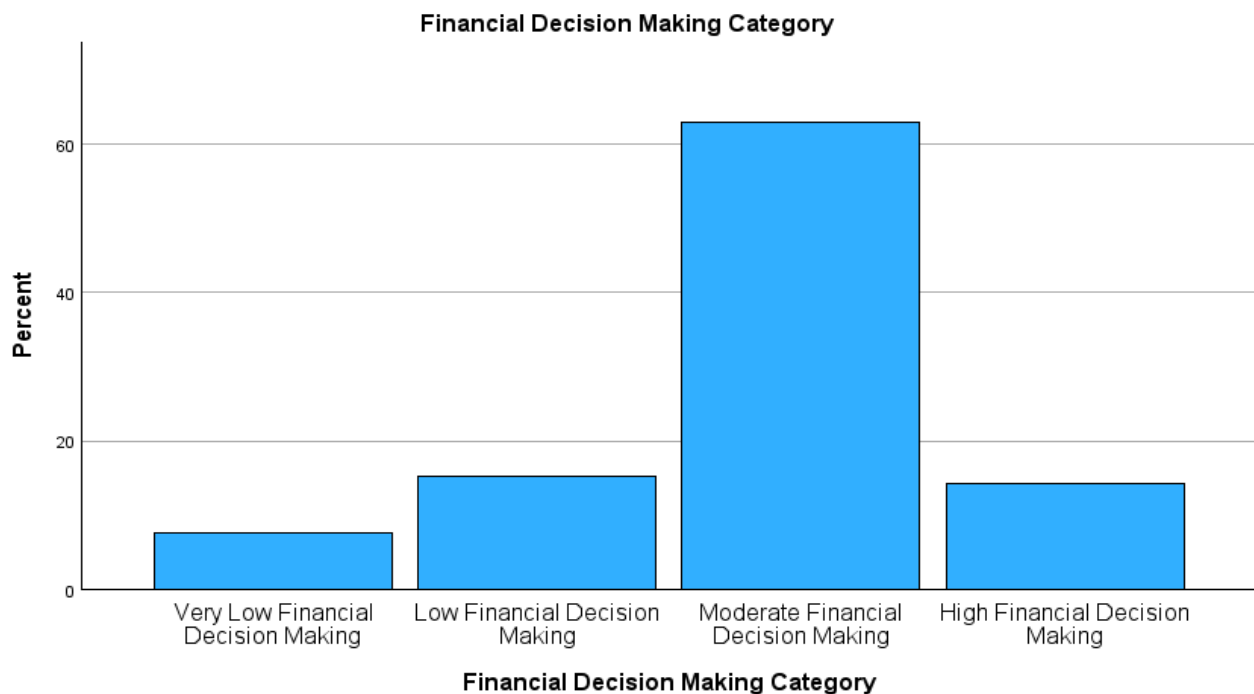
Source: Authors' calculations based on primary data.

Analysis &Interpretation:-

The graph (3.2) depicted the distribution of individuals based on their ability to make financial decision making, which was classified as very low, low, medium and high. Data has shown that the majority of respondents 63% are in the category of moderate financial decision-making. It suggested that while most individuals decided to make a reasonable and informed decisionsabout managing their finances, their decision-making ability was not yet optimal, especially in landscapes requiring strategic planning or risk evaluation. About 15% of the respondents were classified under lower and high financial decision-making categories, indicating a balanced presence of individuals who either struggled or excellent in making financial decisions. Meanwhile, about 7% fell into a very low category, representing an unsafe group at risk of making poor financial options due to potential confidence, knowledge or lack of access to relevant information. These findings emphasized the need for target efforts to enhance the efficiency of decision-making of individuals, especially for those in the lower categories. Although it was encouraged to look at a large portion of the mildly well-performing population, the limited ratio of individuals in the higher class highlighted an occasion for further development. Increasing the skills of making financial decisions through focused education, real-life simulation and personal financial counselling can empower individuals to make more informed and beneficial options. The graph, overall, underlines not only the importance of building financial knowledge but also can make practical decision-making ability to ensure long-term financial security and flexibility.

Table 3.8:- Correlation between Financial Literacy and Financial Decision-making score.

Correlations		Financial Literacy	Financial Decision-Making Score
Financial Literacy	Pearson Correlation	1	.947**
	Sig. (2-tailed)		<.001
	N	105	105
Financial Decision-Making Score	Pearson Correlation	.947**	1
	Sig. (2-tailed)	<.001	
	N	105	105
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Authors' calculations based on primary data.

Analysis &Interpretation:-

The correlation analysis between financial literacy and financial decision-making scores revealed a strong and statistically significant relationship. The Pearson correlation coefficient was 0.947 (p < 0.001), indicating a very strong positive correlation between financial literacy and financial decision-making. This suggests that individuals with higher financial literacy tend to demonstrate better financial decision-making abilities, reinforcing the importance of financial education in improving financial decision-making outcomes.

Table 3.9:-Multiple Linear Regression Analysis of Financial Literacy and Financial Decision-Making Scores.

Variables Entered/Removed[a]			
Model	Variables Entered	Variables Removed	Method
1	FinancialLiteracy[b]	.	Enter
a. Dependent Variable: Financial Decision-Making Score			
b. All requested variables entered.			

Source: Authors' calculations based on primary data.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.947[a]	.897	.896	5.02906
a. Predictors: (Constant), Financial Literacy				

Source: Authors' calculations based on primary data.

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22565.930	1	22565.930	892.236	<.001[b]
	Residual	2605.018	103	25.291		
	Total	25170.948	104			
a. Dependent Variable: Financial Decision-Making Score						
b. Predictors: (Constant), Financial Literacy						

Source: Authors' calculations based on primary data.

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.300	2.253		.577	.565
	Financial Literacy	1.054	.035	.947	29.870	<.001
a. Dependent Variable: Financial Decision-Making Score						

Source: Authors' calculations based on primary data.

Analysis &Interpretation:-

To test the hypothesis H1: There is a significant relationship between financial literacy levels and financial decision-making among salaried individuals in Taiz, Yemen, a regression analysis was performed. The results indicated a strong positive relationship between financial literacy and financial decision-making. The regression model explained 89.7% of the variance in financial decision-making scores ($R^2 = 0.897$), showing that financial literacy was a significant predictor. Specifically, for each 1-unit increase in financial literacy, the financial decision-making score increased by 1.054 units (B = 1.054), with a standardized beta coefficient of 0.947. Practically, this means that even a modest improvement in financial literacy, such as through targeted financial education or awareness initiatives, can lead to significantly more informed and effective real-life financial decisions, including budgeting, saving, borrowing, and investing. These findings highlight the substantial impact of financial literacy on financial decision-making. Furthermore, the Pearson correlation coefficient between financial literacy and financial decision-making was found to be 0.947 ($p < 0.001$), confirming a strong and statistically significant relationship. This high correlation further supports the regression analysis results, reinforcing the connection between financial literacy and financial decision-making. In conclusion, both the regression analysis and Pearson correlation provide robust evidence that financial literacy significantly influenced financial decision-making among salaried individuals in Taiz, Yemen. Therefore, H1 is strongly supported, demonstrating a clear and significant relationship between the two variables.

Conclusion:-

This study assessed the financial literacy levels and their impact on financial decision-making among salaried individuals in Taiz, Yemen, a region facing persistent economic fragility. The findings revealed moderate overall financial literacy, with a statistically significant and strong correlation between financial literacy and financial decision-making ($r = 0.947$, $R^2 = 0.897$). This indicates that individuals with higher levels of financial knowledge, behavior, and attitudes are more capable of making informed financial decisions, even in challenging economic environments. The key conclusions are as follows:

1. **Strong Link Between Literacy and Decision-Making:**
Individuals with higher financial literacy—comprising knowledge, behavior, and attitude—demonstrate greater competence in making sound financial decisions.

2. **Impact on Individual and Household Well-being:**
Enhanced financial capability contributes not only to individual financial health but also to household stability and security.

3. **Contribution to Community and Economic Resilience:**
Financial literacy fosters community resilience and economic empowerment, especially important in fragile and under-resourced economies.

4. **Critical Role in Social Inclusion:**
In the absence of robust formal support systems, financial literacy acts as a buffer against economic vulnerability and exclusion.

5. **Policy and Development Implication:**
Promoting financial education should be viewed not merely as a personal development initiative, but as an essential strategy for broader social development and resilience-building.

Implications and Future Scope:-

While this study provides significant insights, its limitations should be acknowledged. The use of purposive non-probability sampling and the geographic focus on Taiz limit the generalizability of the findings to the wider Yemeni population. Future research could address these limitations by expanding to other regions and incorporating longitudinal data to examine how financial literacy evolves over time and influences financial behavior under continued economic strain. Moreover, the findings suggest practical implications for development practitioners, educators, and policymakers. NGOs can design and implement targeted, community-based financial education programs tailored to the needs of salaried individuals, particularly those in the informal sector. Government bodies and educational institutions should consider integrating financial literacy modules into adult education, workforce training, and secondary school curricula. These programs should focus not only on knowledge transfer but also on behavior change and attitudinal development.In addition, future interventions should explore digital delivery mechanisms such as mobile-based financial tools and e-learning platforms, particularly in conflict-affected areas where access to traditional financial infrastructure is limited. By embedding financial literacy within broader

development strategies, stakeholders can enhance the economic resilience of individuals and contribute to more inclusive and sustainable social development across Yemen.

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