JIACS SPECIAL ISSUE: TITLE OF THE ISSUE: FINANCIAL LITERACY

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INTRODUCTION

Recent research reports that individuals with higher levels of financial illiteracy tend to make more high-cost transactions, suffering higher fees and commissions and using high-cost products and methods of borrowing (Barber et al 2005, Lusardi and Tufano 2009; Klapper et al. 2012). A related research conducted by Agarwal et al. (2009) revealed a U-shaped pattern over the life- cycle, with the minimum amount of transactions fees, commissions and investment mistakes occurred at about age 53. Campbell (2006) showed that individuals often do not understand the terms of their mortgages and committed major financial mistakes such as absence of diversification, lack of ability to choose the right financial instrument, and non-understanding of new financial tools and under-participation in financial markets, with important implications for financial innovation.

According to Wikipedia, "*Financial literacy is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources*".

On the other side, investors' protection and market confidence are two of the major concerns for financial regulators. Thus, the benefits and responsibilities of financial regulation and financial education go hand in hand and should work in parallel with one another. They interact. In particular, financial education and financial literacy can be viewed as an "additional tool available to securities regulators in supporting regulation and supervision" (IOSCO 2014, p. 8), which could more effective achieving the objective of investors' protection.

Yet, regulation and financial innovation without investor improvement would not work. What could have a positive effect would be their synergy and complementarity. Besides that, however, even the combination of stringent regulations and more financially literate investors will not eliminate impending financial crises due to the continuity of financial innovations (Philippas and Siriopoulos 2012). Therefore, financially educated market participants will foster more appropriate risk, assessed financial innovations as a reaction to the many changes of the financial and regulatory architecture, and as a response to the continuous process of searching for low-cost financial instruments and transactions.

List of Topics to be Covered: This issue especially welcomes contributions that address the following among other relevant topics:

Financial Literacy and Financial Education
Financial Literacy and Business, SMEs
Financial Literacy and Financial Regulation
Financial Literacy and efficient market theory; Financial Literacy and Financial Crises
Financial Literacy and neoliberalism/capitalism
Financial Literacy, Insurance, Pensions

Empirical studies on Financial Literacy
Financial Literacy and numeracy
Personal Finance, Household Finance,
Financial Literacy and Financial Innovation, FinTech,
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