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FINANCIAL LITERACY AND THE PREFERENCE FOR NON-TRANSACTIONAL CASH HOLDINGS IN MOROCCO: A MICROECONOMETRIC ANALYSIS

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Abstract:

Despite progress in expanding access to banking services and modernizing the financial system, cash remains widely held in Morocco, including for reasons other than day-to-day transactions. This article examines the role of financial literacy in the preference for holding cash for non-transactional purposes in Morocco.

The study is based on data from a questionnaire survey administered to 752 individuals involved in their household's financial decisions and employs an ordinal logistic regression. The results show that financial literacy does not have a statistically significant effect on the preference for non-transactional cash holdings. This finding suggests that holding cash beyond current payment needs cannot be explained solely by individuals' level of financial knowledge but is also linked to other factors related to socioeconomic profiles and access to financial services.

From a scientific perspective, this research contributes to the literature on household finance, financial inclusion, and the demand for cash in emerging economies. From a managerial and public policy perspective, it suggests that efforts to reduce cash dependence should go beyond financial education alone and also include improving financial accessibility, building trust in formal financial services, and adapting financial inclusion policies to the realities of households.

Keywords: financial literacy; non-transactional cash holdings; financial accessibility; household finance; Morocco.

Introduction

The transformation of financial systems, driven by increased access to banking, the digitization of services, and the rise of electronic payment methods, has profoundly altered households' monetary behavior. However, this evolution has not been accompanied by the disappearance of cash. In many economies, cash continues to play an important role, not only as a means of payment but also as a liquidity reserve. This situation reflects the “cash paradox,” whereby demand for banknotes can continue to rise even as their use in day-to-day payments declines (Gresvik & Kaloudis, 2001; Zamora-Pérez, 2021).

The case of Morocco also illustrates this persistence of cash. While electronic payment methods are gradually expanding, the ratio of currency in circulation to GDP remains high. This ratio rose from 13.3% in 2000 to 28% in 2022, before reaching 29% in 2024 (Bank Al-Maghrib, 2023; 2024). This trend suggests that financial modernization has not automatically translated into lower cash holdings. Furthermore, Shimi et al. (2024) estimate that between 60% and 80% of the value of 100- and 200-dirham banknotes in circulation was held for non-transactional purposes in 2021, compared with approximately 20% in the early 2000s. These findings highlight that the rise in cash holdings in Morocco cannot be explained solely by day-to-day payments but is also linked to precautionary needs, liquidity preferences, and store-of-value motives.

From this perspective, financial literacy is an important factor to consider. In principle, a better understanding of financial concepts and products can encourage the use of formal financial services and reduce the preference for holding cash. However, this effect may be limited by other factors, including age, educational level, income, and financial accessibility. The non-transactional holding of cash must therefore be analyzed as a financial behavior influenced by both individual knowledge and the socioeconomic conditions governing access to financial services.

Consequently, the central research question of this article is as follows: **To what extent does financial literacy influence the preference for holding cash for non-transactional purposes in Morocco?**

The remainder of the article is structured as follows. The first section presents the literature review and research hypotheses. The second section outlines the methodology

adopted. The third section presents and discusses the empirical results. Finally, the conclusion summarizes the main findings, limitations, and implications of the study.

1. Literature Review

Non-transactional cash holding refers to a specific behavior of retaining physical currency beyond its immediate use as a means of payment. It reflects liquidity, precautionary, and store-of-value motives, whereby individuals choose to hold cash beyond what is needed for day-to-day transactions. This section first provides a conceptual clarification of non-transactional cash holding before examining its main theoretical foundations, the specific role of financial literacy, and insights from the empirical literature.

1.1. Conceptual Framework for Non-Transactional Cash Holding

Non-transactional cash holdings refer to cash retained beyond what is needed for the immediate payment of everyday purchases. This differs from transactional cash demand, which refers to cash used to cover daily expenses. From a non-transactional perspective, cash is held primarily as a liquidity reserve, a precautionary reserve, a store of value, or an easily accessible form of savings.

This distinction provides a better understanding of the diverse functions attributed to cash. Indeed, not all currency in circulation is necessarily used in day-to-day transactions. A portion may be held for longer periods by economic agents. In this regard, Bilici and Çevik (2023) contrast transactional demand, linked to payments and routine expenditures, with non-transactional demand, associated with holding cash as a store of value. Similarly, Deutsche Bundesbank (2020) distinguishes between “transaction balances,” intended for short-term payments, and “hoarding balances,” which correspond to cash holdings retained over a longer period.

For the purposes of this study, the preference for non-transactional cash holdings refers to an individual’s propensity to hold cash beyond immediate payment needs. This approach allows cash to be understood in its dual role: as a means of settling transactions on the one hand, and as a reserve of liquidity and value on the other. It also builds on the work of Shimi et al. (2024), who highlight the existence of demand for cash driven by uses other than transactions.

1.2. Theoretical Foundations of Non-Transactional Cash Holding

Non-transactional cash holdings can first be understood through the Keynesian approach to the demand for money. Keynes (1936), in *The General Theory of Employment, Interest, and Money*, identifies three main motives for holding money: the transaction motive, the precautionary motive, and the speculative motive. Holding cash beyond one's current payment needs is most closely associated with the precautionary motive. Individuals may choose to keep a portion of their resources in liquid form to cope with uncertainty, unexpected expenses, or economic risks. From this perspective, the preference for liquidity reflects a desire for immediate availability and security, particularly when the economic or financial environment is perceived as uncertain.

Portfolio theories offer a second framework for analyzing this behavior. Since the work of Markowitz (1952), asset allocation choices have generally been interpreted as the result of a trade-off between return and risk. In this context, cash has specific characteristics: it is immediately available, highly liquid, and is not subject to market-price fluctuations in nominal terms. Friedman (1956) also views the demand for money as a component of portfolio allocation, depending in particular on wealth, the returns on alternative assets, and risk preferences. Tobin (1958) extends this analysis by showing that economic agents allocate their wealth between risky assets and safer assets, with money potentially held for its liquidity and safety.

In the case of non-transactional cash holdings, this approach allows us to understand the holding of cash as a wealth management choice based on a trade-off between liquidity, safety, and return. However, this choice cannot be interpreted solely as a portfolio allocation decision. In the Moroccan context, it may also be influenced by households' income and wealth levels, access to formal financial products, the availability of savings alternatives, trust in banking institutions, and the presence of informal economic practices. For some individuals, cash thus represents a simple, tangible, and immediately accessible asset that may be perceived as more reassuring than formal financial instruments.

These theoretical foundations show that the demand for cash goes beyond mere transactional logic. It may respond to precautionary needs, a desire to maintain a store of value, or a risk management strategy. The non-transactional holding of cash thus lies at the intersection of several dimensions: preference for liquidity, risk aversion, portfolio allocation, and institutional trust. It must therefore be understood as a behavior that is

simultaneously financial, monetary, and institutional, shaped by the individual characteristics of economic agents and by their economic and social environment.

1.3. Financial Literacy and Non-Transactional Cash Holdings

Financial literacy refers to the set of knowledge, skills, attitudes, and behaviors that enable individuals to understand financial concepts and make informed decisions regarding money management, saving, investing, and risk management (Lusardi & Mitchell, 2014; World Bank, 2014). It relies in particular on a grasp of fundamental concepts such as compound interest, inflation, the real value of money, and risk diversification (Lusardi & Mitchell, 2011).

In the field of household finance, financial literacy is considered a key factor in individual financial behavior. A high level of financial literacy can foster a better understanding of financial products, the opportunity cost of holding cash, and the effects of inflation on purchasing power. It can thus encourage a more efficient allocation of resources and reduce the preference for holding cash for non-transactional purposes (Campbell, 2006; Guiso & Jappelli, 2009).

Conversely, low financial literacy may reinforce the perception of cash as a simple, safe, and readily available asset. In this context, non-transactional cash holdings may be interpreted as a response to uncertainty, risk aversion, and liquidity preference, consistent with the Keynesian framework (Keynes, 1936). They may also reflect a bias toward perceived safety, as individuals with lower levels of financial knowledge may favor physical cash over other, more complex financial instruments (Kahneman & Tversky, 1979).

Thus, financial literacy can be viewed as a potential cognitive determinant of the preference for holding cash for non-transactional purposes. However, its effect may depend on the socioeconomic context, financial accessibility, and the individual characteristics of households.

1.4. Review of the Empirical Literature

The empirical literature shows that non-transactional cash holdings depend on several individual, financial, and institutional factors. In the German context, Deutsche Bundesbank (2020) shows that cash holdings differ across household characteristics and highlights the importance of motives related to security and the storage of cash outside day-to-day transactions.

Bilici and Çevik (2023), drawing on the Turkish case, show that individuals with a higher level of financial literacy tend to hold less cash on hand while storing more cash elsewhere for non-transactional purposes. Thus, financial literacy does not necessarily reduce total cash holdings: it may limit the use of cash for transactions while strengthening its role as a liquidity reserve.

Similarly, Fujiki (2020), in the Japanese context, highlights an ambivalent relationship between financial literacy and cash demand. Individuals with higher levels of financial literacy tend to hold more cash overall, potentially for hoarding purposes, while their demand for cash for day-to-day transactions appears relatively lower. This finding suggests that financial literacy does not necessarily lead to an overall decrease in cash holdings but may alter the purpose for which cash is held, reducing its transactional use while strengthening its role as a store of value or precautionary reserve.

Other studies highlight the role of access to banking services and institutional trust. Stix (2013) shows that the preference for holding cash at home also depends on conditions of access to banking services. Tom (2011) also indicates that trust in banks, financial literacy, and geographic accessibility influence cash saving behaviors.

In the Moroccan context, empirical studies remain primarily focused on the transactional demand for cash, particularly the use of cash as a means of payment (Rhafel et al., 2025; Rhafel et al., 2026a). More recently, Rhafel et al. (2026b) showed that the preference for non-transactional cash holdings varies according to age, educational level, sector of activity, perceived banking accessibility, and banking status. Their findings also highlight that simply holding a bank account is not sufficient to reduce the preference for holding cash. However, to the best of our knowledge, no study conducted in Morocco has specifically examined the role of financial literacy in the preference for non-transactional cash holdings.

1.5. Research Hypotheses

Based on the theoretical foundations and empirical studies presented, the preference for non-transactional cash holdings may be associated with sociodemographic, financial, and cognitive factors. In this study, age, educational level, income, financial accessibility, and financial literacy are considered the main explanatory factors.

The research hypotheses are formulated as follows:

Hypothesis 1: Belonging to the oldest age group is positively associated with the preference for non-transactional cash holdings.

Hypothesis 2: A higher level of education is negatively associated with the preference for non-transactional cash holdings.

Hypothesis 3: A higher income level is negatively associated with the preference for non-transactional cash holdings.

Hypothesis 4: Limited access to financial institutions is positively associated with the preference for non-transactional cash holdings.

Hypothesis 5: Low financial literacy is positively associated with the preference for holding cash for non-transactional purposes.

2. Research Methodology

To meet the objectives of this study, a field survey was conducted using a questionnaire administered to both banked and unbanked individuals involved in managing their household finances. The choice of this population is justified by the research focus, which centers on the preference for holding cash for non-transactional purposes, a behavior that may apply to individuals regardless of their banking status.

Data collection was based on non-probability convenience sampling. This methodological choice was driven by the lack of a comprehensive survey database capable of identifying all individuals involved in household financial decisions in Morocco. To increase the heterogeneity of the sample, respondents with diverse profiles were included, particularly in terms of age, income, educational level, and geographic location.

The questionnaire was administered using a mixed-mode approach, combining face-to-face interviews in targeted public locations, including bank branches, markets, and shopping centers, with an online survey via an electronic form. This dual approach aimed to diversify respondent profiles and broaden the survey's coverage. Data collection took place from February 15, 2025, to May 15, 2025.

Prior to the main survey, a pretest was conducted with 30 participants to assess the clarity of the questions, the comprehensibility of the response options, and the overall

consistency of the questionnaire. The adjustments made primarily involved rephrasing certain items and clarifying the proposed response options. A total of 752 valid questionnaires were included in the final analysis.

The dependent variable is the preference for non-transactional cash holdings. Financial literacy is the primary explanatory variable, while age, educational level, income, and financial accessibility are included as additional explanatory variables. Table 1 presents the operationalization and coding of the variables used in the study.

Table 1: Operationalization and Coding of Study Variables

Variable	Measurement / Coding
Dependent variable	
Preference for non-transactional cash holdings	1 = Low preference: strongly disagree, disagree
	2 = Moderate preference: somewhat disagree, somewhat agree
	3 = High preference: agree, strongly agree
Independent variables	
Age	1 = 18-24 years
	2 = 25-34 years
	3 = 35-49 years
	4 = 50 years and older
Education level	1 = No education
	2 = Elementary school
	3 = Secondary
	4 = College graduate
Monthly income	1 = Less than 3,000 dirhams
	2 = Between 3,000 and 7,000 dirhams
	3 = Between 7,000 and 15,000 dirhams
	4 = More than 15,000 dirhams
Perceived access to banking services	0 = Adequate perceived access: somewhat agree, agree, strongly agree
	1 = Limited perceived access: strongly disagree, disagree, somewhat disagree
Financial literacy	Average score on financial literacy items, grouped into three levels: 1 = Low; 2 = Medium; 3 = High

Source : Authors' elaboration

The choice of ordinal logistic regression is justified by the ordered nature of the dependent variable, which distinguishes three levels of preference for non-transactional cash holdings: low, medium, and high. This model estimates the probability of an individual belonging to a higher category of preference according to their sociodemographic and financial characteristics. It is particularly well-suited when the dependent variable is an ordered categorical variable.

The specification chosen is as follows:

$$\begin{aligned} \text{Log} \left(\frac{P(Y_i \leq j)}{P(Y_i > j)} \right) \\ = \theta_j - (\beta_1 \text{AGE}_i + \beta_2 \text{EDUCLEVEL}_i + \beta_3 \text{INCOME}_i + \beta_4 \text{ACCESS}_i \\ + \beta_5 \text{FINLIT}_i) \end{aligned}$$

In this equation, Y_i denotes the level of preference for non-transactional cash holdings of individual i , while j refers to the thresholds separating the ordinal categories of the dependent variable. Since the dependent variable has three levels, j takes the values 1 and 2. The term θ_j represents the model thresholds, while the coefficients β capture the association between the explanatory variables and the likelihood of belonging to a higher or lower category of preference for non-transactional cash holdings.

3. Results and Discussion

3.1. Sociodemographic Profile of Respondents

Table 2 presents the sociodemographic profile of the 752 respondents included in the analysis. The sample consists predominantly of men (62.9%), while women account for 37.1%. In terms of age, respondents aged 25–34 constitute the largest age group (36.3%), followed by those aged 50 and older (28.9%). The level of education appears relatively high, as 67.6% of respondents report having a college degree. In terms of occupation, salaried employees constitute the largest group (32.6%), followed by civil servants (26.9%). Furthermore, 63.3% of respondents work in the formal sector, compared with 36.7% in the informal sector. Regarding monthly income, the income bracket between 3,000 and 7,000 dirhams is the most common, representing 46.3% of the sample. Finally, the majority of respondents live in urban areas (65.2%), compared with 34.8% in rural areas. Overall, the sample exhibits sociodemographic diversity, although men, highly educated respondents, formal-sector workers, and urban residents are more strongly represented.

Table 2 : Sociodemographic Profile of Respondents

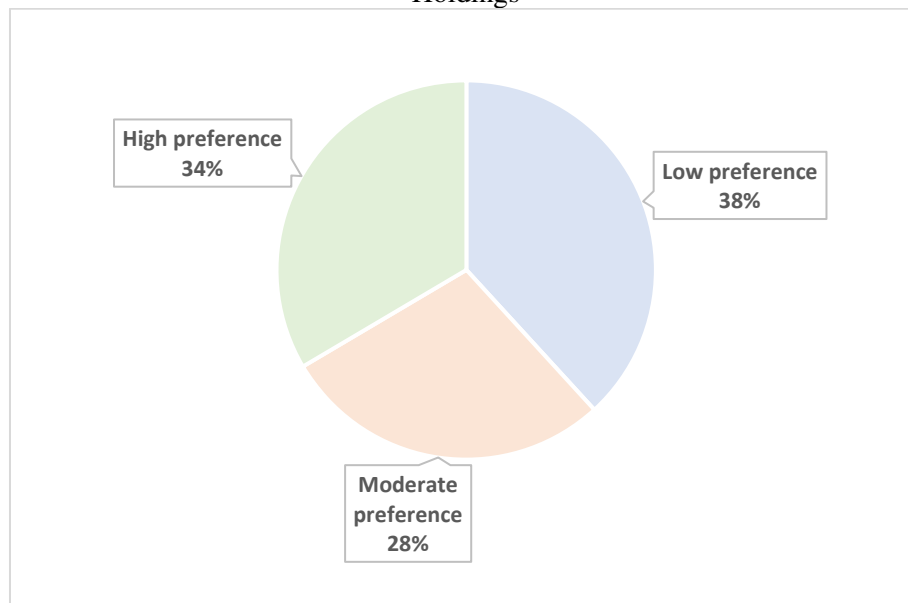
Variable	Categories	Frequency	Percentage
Gender	Female	279	37.1%
	Male	473	62.9%
Age	18-24 years	120	16.0%
	25-34 years	273	36.3%
	35-49 years	142	18.9%
	50 years and older	217	28.9%
	No education	73	9.7%
Educational level	Elementary	87	11.6%
	Secondary	84	11.2%
	University degree	508	67.6%
	Student	81	10.8%
Professional category	Civil servant	202	26.9%
	Employee	245	32.6%
	Self-employed and similar professions	120	16.0%
	Retired	57	7.6%
	Other	47	6.3%
	Formal	476	63.3%
Employment sector	Informal	276	36.7%
	Less than 3,000 dirhams	161	21.4%
Monthly income	Between 3,000 and 7,000 dirhams	348	46.3%
	Between 7,000 and 15,000 dirhams	211	28.1%
	More than 15,000 dirhams	32	4.3%
	Urban	490	65.2%
Geographic area	Rural	262	34.8%

Source : Authors' calculations based on survey data

3.2. Preference for Non-Transactional Cash Holding

Figure 1 shows the distribution of respondents according to their level of preference for non-transactional cash holdings. The results show that 38% of respondents report a low preference for holding cash for non-transactional purposes, while 28% report a moderate preference. In contrast, 34% of respondents express a high preference for holding cash for non-transactional purposes. This distribution highlights the significance of this behavior within the sample, as about one-third of respondents demonstrate a strong propensity to hold cash beyond their day-to-day transaction needs. These findings underscore the relevance of examining the factors associated with this preference, including financial literacy, age, educational level, income, and financial accessibility.

Figure 1. Distribution of Respondents by Level of Preference for Non-Transactional Cash Holdings



Source: Authors

3.3. Multicollinearity Check

Before estimating the ordinal logit model, multicollinearity among the explanatory variables was assessed using tolerance values and the variance inflation factor (VIF). Categorical variables were introduced as dummy variables, with one reference category omitted for each variable.

Table 3 : Multicollinearity Check

Variable	Tolerance	VIF
Age = 18-24 years	0.461	2.169
Age = 25-34 years	0.414	2.416
Age = 35-49 years	0.688	1.454
Education level = No education	0.607	1.647
Education level = Elementary school	0.608	1.644
Education level = High school	0.725	1.379
Income = Less than 3,000 dirhams	0.186	5.377
Income = Between 3,000 and 7,000 dirhams	0.148	6.779
Income = Between 7,000 and 15,000 dirhams	0.181	5.530
Financial literacy = Low	0.539	1.857
Financial literacy = Medium	0.615	1.627
Financial Accessibility	0.949	1.053

Source: authors

As shown in Table 3, most variables have VIF values below 5, suggesting that multicollinearity is generally limited. The VIF values for the income categories range from 5.377 to 6.779, indicating moderate multicollinearity, but none exceeds the commonly used threshold of 10. Overall, no severe multicollinearity is detected, allowing the explanatory variables to be included simultaneously in the ordinal logit model.

3.4. Overall Model Quality

The overall quality of the ordinal logit model was assessed using the likelihood-ratio model fit test, pseudo- R^2 measures, Pearson and Deviance goodness-of-fit tests, and the test of parallel lines. The results are presented in Table 4.

Table 4: Overall Quality of the Ordinal Logit Model

Indicator	Value	Interpretation
Likelihood-ratio chi-square	74.590; df = 12; p < 0.001	Final model significantly improves upon the null model
-2 Log Likelihood (Final)	674.908	Model fit statistic
Cox and Snell R^2	0.094	Limited explanatory power
Nagelkerke R^2	0.106	Limited explanatory power
McFadden R^2	0.045	Limited explanatory power
Pearson goodness-of-fit test	$\chi^2 = 312.539$; df = 314; p = 0.513	No evidence of poor fit
Deviance goodness-of-fit test	$\chi^2 = 361.776$; df = 314; p = 0.033	Potential lack of fit; interpret with caution
Test of Parallel Lines	$\chi^2 = 15.983$; df = 12; p = 0.192	Proportional odds assumption supported

Source: authors

The results show that the final model provides a statistically significant improvement over the null model, as indicated by the likelihood-ratio chi-square statistic ($\chi^2=74.590$, $\chi^2=74.590$, df = 12, p < 0.001). The pseudo- R^2 values, Cox and Snell (0.094), Nagelkerke (0.106), and McFadden (0.045), suggest relatively limited explanatory power.

The Pearson goodness-of-fit test is not significant (p = 0.513), whereas the Deviance test is significant (p = 0.033). These mixed results suggest that overall model fit should be interpreted with some caution. Finally, the test of parallel lines is not significant (p = 0.192), supporting the proportional odds assumption. The use of the ordinal logit model is therefore considered appropriate, while the overall goodness of fit should be interpreted cautiously.

3.5. Results of the Ordinal Logistic Regression

Table 5 presents the results of the ordinal logistic regression. The analysis aims to identify the factors associated with belonging to a higher category of preference for non-transactional cash holdings.

Table 5: Results of the ordinal logistic regression

Variable	Category	β	Odds Ratio	p-value
Age	18–24 years	-0.592	0.553	0.032
	25–34 years	-0.604	0.547	0.006
	35–49 years	-0.311	0.733	0.139
	50 years and older	Reference	-	-
Educational level	No education	0.355	1.426	0.232
	Elementary	0.486	1.626	0.078
	Secondary	0.263	1.301	0.299
	University degree	Reference	-	-
Monthly income	Less than 3,000 dirhams	0.031	1.031	0.935
	Between 3,000 and 7,000 dirhams	-0.114	0.892	0.749
	Between 7,000 and 15,000 dirhams	-0.105	0.900	0.769
	More than 15,000 dirhams	Reference	-	-
Financial accessibility	Limited accessibility	0.754	2.125	< 0.001
	Adequate accessibility	Reference	-	-
Financial literacy	Low	0.110	1.116	0.568
	Medium	0.107	1.113	0.552
	High	Reference	-	-

Source: authors

The results show that age is significantly associated with the preference for non-transactional cash holdings for some age groups. Compared with respondents aged 50 and older, individuals aged 18 to 24 exhibit a negative and statistically significant coefficient ($\beta = -0.592$; $p = 0.032$; OR = 0.553). The same finding holds for respondents aged 25 to 34 ($\beta = -0.604$; $p = 0.006$; OR = 0.547). These results indicate that younger respondents are less likely to belong to a higher category of preference for non-transactional cash holdings than individuals aged 50 and older.

In other words, younger respondents show a lower preference for non-transactional cash holdings than individuals aged 50 and older. This result supports Hypothesis H1, which states that belonging to the oldest age group is positively associated with the preference for non-transactional cash holdings. It is consistent with empirical evidence showing that cash holdings vary with age. Deutsche Bundesbank (2020) finds that cash reserves tend to increase with age, although a decline is observed descriptively among the oldest individuals. Bilici and Çevik (2023) also document differences in cash holdings across age groups in Türkiye.

This relationship can be interpreted in light of the precautionary motive and portfolio theories. Older individuals may place greater importance on security, immediate liquidity, and direct control over their savings. From this perspective, cash represents a precautionary asset that is immediately available and easily accessible. Its tangible nature and the direct control it provides may enhance its appeal to older individuals, for whom perceived security and control over savings may take precedence over the pursuit of financial returns.

Conversely, educational level is not significantly associated with the preference for non-transactional cash holdings at the 5% significance level. The categories “no education,” “elementary,” and “secondary” do not differ significantly from the reference category, consisting of respondents with a university degree. Hypothesis H2 is therefore not supported.

Monthly income is not significantly associated with the preference for non-transactional cash holdings. The coefficients associated with the various income categories are not statistically significant, indicating that income level is not significantly associated with the preference for non-transactional cash holdings in the sample studied. Hypothesis H3 is therefore not supported.

Financial accessibility, on the other hand, is strongly associated with the preference for non-transactional cash holdings. The coefficient associated with limited financial accessibility is positive and statistically significant ($\beta = 0.754$; $p < 0.001$; OR = 2.125). The odds ratio indicates that respondents reporting limited financial accessibility have 2.125 times the odds of belonging to a higher preference category than those reporting no accessibility constraints.

This result supports Hypothesis H4, which posits that limited access to financial institutions is positively associated with the preference for non-transactional cash holdings. It is consistent with the analyses by Stix (2013) and Tom (2011), which highlight the role of proximity and effective access to banking services in cash holding behavior. Tom (2011) also indicates that trust in banks, financial literacy, and geographic accessibility influence cash saving behaviors. When access to financial institutions involves costs in terms of time, distance, or travel, individuals may be inclined to hold more cash to cope with potential difficulties in accessing their funds. Non-transactional cash holdings may thus represent a response to accessibility constraints, as cash constitutes a reserve that can be mobilized immediately, without intermediaries or delay.

Finally, financial literacy is not significantly associated with the preference for non-transactional cash holdings. The coefficients associated with low and medium levels of financial literacy are positive but not statistically significant ($\beta = 0.110$; $p = 0.568$ for the low level; $\beta = 0.107$; $p = 0.552$ for the medium level). Hypothesis H5 is therefore not supported. This result suggests that, in the context studied, the preference for non-transactional cash holdings is not significantly associated with the level of financial literacy but appears to be more closely related to age and financial accessibility constraints.

Conclusion

The objective of this article was to analyze the role of financial literacy in the preference for holding cash for non-transactional purposes in Morocco. The results show that financial literacy is not significantly associated with this preference. This finding suggests that the preference for holding cash beyond immediate payment needs cannot be attributed solely to individuals' level of financial knowledge.

Age and financial accessibility, on the other hand, are significantly associated with this preference. Younger respondents show a weaker preference for holding cash for non-transactional purposes than individuals aged 50 and older, while limited access to financial institutions is associated with a higher preference for such holdings. Conversely, educational level and monthly income are not significantly associated with the preference for non-transactional cash holdings.

From a scientific perspective, this research contributes to the literature on household finance, financial inclusion, and the demand for cash in emerging economies by highlighting a dimension that has received relatively little attention in the Moroccan context: non-transactional cash holdings. The findings indicate that financial literacy, although relevant to individual financial decision-making, does not emerge as a statistically significant factor associated with this behavior in the sample studied.

From a managerial and public policy perspective, the results suggest that strategies aimed at reducing cash dependence should not rely solely on financial education. They should also consider improving access to financial services, increasing the availability of local banking services, and tailoring financial products to households' actual needs. Reducing reliance on cash for non-transactional purposes may therefore require an approach that combines financial education, improved accessibility, and trust in formal financial services.

This research does, however, have certain limitations. The study is based on a non-probability convenience sample, which limits the generalizability of the results. Furthermore, it relies on self-reported data, which may be influenced by respondents' perceptions. Future research could use nationally representative data, incorporate additional dimensions such as trust in banks, perceived deposit security, and risk aversion, and compare patterns of non-transactional cash holdings across different household profiles.

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