



## RESEARCH ARTICLE

### THE IMPACT OF BEHAVIORAL FINANCE ON INVESTMENT DECISIONS IN THE CONTEXT OF THE CRISIS IN LEBANON

<sup>1</sup>Lina Maamoun Bilani and <sup>2</sup>Amany Housam Harb

<sup>1</sup>Assistant professor at the Faculty of Economics and Business Administration, Lebanese University-<sup>2</sup>Lebanon; Master's Degree in Finance, Faculty of Economics and Business Administration, Lebanese University-Lebanon

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\*Corresponding author: *Merilyn Sunny*

#### ABSTRACT

Lebanon is considered one of the countries experiencing difficult economic conditions that hinder economic development, especially since its economy relies primarily on small and medium-sized enterprises. The investment decisions in these enterprises are influenced by a number of factors that require study and analysis. Behavioural finance and financial choices during a severe economic crisis are examined in this study, providing useful insights for academic research and practical applications. After the economic crisis in Lebanon, respondents perceive higher financial risk, indicating increased economic uncertainty. The crisis has also caused cautious decision-making and a lasting impact on financial behaviour, with many respondents avoiding certain financial actions and changing their financial strategy. This study illuminates the intricacy of behavioural finance dynamics amid an economic crisis, revealing Lebanon's investors' and consumers' financial decisions. The ongoing crisis has exerted a notable impact on their perception of financial risk. Participants are inclined to have a greater perception of increased financial risk following the occurrence of the crisis, indicating a heightened level of uncertainty resulting from the economic turbulence. Moreover, the crisis has engendered a climate of prudent decision-making and a sustained influence on financial conduct.

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## INTRODUCTION

Due to continuous budget deficits, rising state debt, and an inflexible exchange rate peg, Lebanon's October 2019 economic crisis was one of its worst. Political unrest and a Beirut port explosion weakened Lebanon's economy. This crisis caused high unemployment, poverty, and a devaluation of the Lebanese Pound. Institutions collapsed, foreign reserves plummeted, and necessary items skyrocketed. Financial behaviors have changed during this turmoil. In response to financial turbulence, investment, savings, spending, and borrowing habits have changed. Crisis caused financial disquiet and government and institution mistrust. Political instability, policy gaps, foreign investment absence, and skilled worker outflow exacerbated economic problems. The primary objective of this study is to address the existing vacuum in the academic literature by examining the behavioral finance patterns shown by investors and people in Lebanon during the prevailing economic crisis. Using a mixed-method approach, this study aims to uncover the financial behaviors observed during a time of economic uncertainty. The findings of this research will serve as a basis for developing measures that promote enhanced financial resilience and facilitate economic recovery.

**Research Background:** The economic landscape of Lebanon has seen significant disruption, characterized by the closure of firms, the financial bankruptcy of institutions, and a rapid depletion of foreign reserves (Dahham, 2022). The populace has encountered significant adversities, characterized by scarcity and exorbitant costs of fundamental provisions such as sustenance, pharmaceuticals, and energy resources. Additionally, the presence of political instability and the lack of a strong policy response have exacerbated the economic challenges, rendering the path to recovery a formidable undertaking (Malley, 2023). The current economic crisis in Lebanon offers an exceptional and valuable setting for exploring the financial behaviors of people and investors. This environment provides a significant framework for analyzing the dynamics of behavioral finance during a severe economic crisis.

**Problem Statement and Significance of the Study:** The economic crisis in Lebanon has resulted in a series of financial difficulties for both individual investors and the broader population (Leila Dagher a, 2023). In the context of limited financial resources, rising prices, and declining faith in financial institutions, it becomes crucial to analyze the changes

in financial behavior. The key issue is to comprehend the impact of the economic crisis on the financial decision-making mechanisms employed by people and investors, as well as the potential repercussions of these behavioral changes on both the micro and macroeconomic aspects of the economy.

### Research Questions

**RQ1:** To what extent does a significant decrease in monthly savings due to the economic crisis in Lebanon correlate with a reduction in individual spending habits?

**RQ2:** How has the economic crisis in Lebanon impacted individuals' perceptions of financial risk?

### Hypothesis

**H0:** There is no relationship between individuals who experienced a significant decrease in monthly savings due to the economic crisis in Lebanon and those who have significantly reduced their spending habits.

**H1:** Individuals who experienced a significant decrease in monthly savings due to the economic crisis in Lebanon are more likely to have significantly reduced their spending habits.

### Research Objectives

The objective of this study is to provide a complete comprehension of the effects of economic instability on many aspects of financial decision-making. By the research inquiries presented, the subsequent precise aims have been defined:

- To examine the relationship between the notable reductions in monthly savings resulting from the economic crisis in Lebanon and the corresponding alterations in individual spending patterns.
- To analyze the influence of the economic crisis in Lebanon on individuals' views of financial risk, specifically focusing on any alterations or shifts in these perceptions that have occurred as a consequence of the crisis.

## LITERATURE REVIEW

**Economic Crises and Financial Behavior:** Economic crises have a substantial impact on the financial landscape, leading to a state of uncertainty that greatly influences the financial behaviors of both individuals and investors. It is worth noting that during a crisis, economic conditions may significantly influence investment decisions, savings patterns, spending habits, and borrowing behaviors.

During periods of economic decline, the investing environment frequently undergoes significant transformations as investors contend with an ambiguous economic outlook (Folke, 2021). The presence of uncertainty might potentially influence individuals to exhibit a desire for liquidity, resulting in a decrease in investments made in assets that are characterized by higher levels of volatility or risk. Recent research has brought attention to the fact that economic crises tend to amplify the behavioral biases of investors, including

overconfidence, representativeness, and anchoring (Philip Corr, 2023). The presence of psychological discomfort and increased levels of uncertainty, which are commonly observed during periods of economic crises, significantly influence the process of making financial decisions (Antony, 2019).

**Behavioral Finance Theory:** The emergence of behavioral finance theory has provided a valuable framework for understanding the complexities involved in financial decision-making. In contrast to conventional finance theories that are based on the assumption of rational economic agents, behavioral finance argues that psychological influences and biases play a crucial role in the decision-making process. The departure from rationality is notably evident in the context of financial market anomalies and economic crises, whereby emotional and cognitive fallacies frequently influence financial actions that differ from the predictions of conventional economic theory. The incorporation of psychological insights into financial theory provides a more sophisticated comprehension of financial market dynamics and individual financial actions.

The intersection of behavioral finance theories and economic crises is a growing area of investigation. The complex interplay between increased uncertainty and financial strain during crises has a profound impact on behavioral biases, resulting in financial decision-making that frequently deviates from reasonable expectations (Kartini, 2021).

**Gap Identification:** The exploration of the extensive body of literature uncovers a diverse range of perspectives on the subjects of behavioral finance, economic crises, and the intricate relationship between risk perception and financial behavior. Nevertheless, within the vast expanse of this ocean, a distinct cluster of holes becomes apparent, particularly when examining the intricacies of the Lebanese setting. The economic crisis in Lebanon represents a distinct combination of financial, political, and social challenges, with each aspect significantly impacting the financial behavior of individuals and investors. However, the existing corpus of scholarly literature seems to overlook the Lebanese context, resulting in a significant gap in knowledge on this distinct setting. The dearth of research that is especially focused on the economic crisis in Lebanon and its implications for behavioral finance necessitates a scholarly endeavor to examine these uncharted domains.

**Conceptual Framework:** The research is grounded in a conceptual framework that encompasses three key domains: Investment Decisions, Savings, Spending, and Borrowing Behaviors, and Perception of Risk and Uncertainty. Each of these realms serves as a metaphorical lighthouse, guiding the investigation into the complex realm of financial conduct within the challenging circumstances of the Lebanese economic crisis. The study examines the behaviors related to savings, spending, and borrowing. This area explores the unexplored aspects of savings, spending, and borrowing patterns throughout the economic crisis in Lebanon. Informed by the theoretical framework of behavioral finance, this field of study investigates the influence of economic conditions on the financial behaviors of individuals in Lebanon. Specifically, it examines patterns related to savings, spending, and borrowing dynamics.

## METHODOLOGY

**Research Methods:** This research utilizes a mixed-method approach to thoroughly investigate the financial behaviour of investors and individuals in Lebanon during the current economic crisis. The qualitative aspect of this research entails the implementation of comprehensive interviews with investors, a crucial procedure for capturing the complex and frequently elusive aspects of financial decision-making within the framework of the economic crisis. Through the utilization of qualitative interviews, our objective is to thoroughly explore the subjective experiences, attitudes, and decision-making processes exhibited by investors. The utilization of quantitative methods, specifically through the implementation of surveys, enables the collection of factual data that provides tangible insights into how individuals are adapting their financial habits considering economic issues.

### Research Design

This study utilizes the Convergent Parallel Design, which is one of the designs commonly employed in mixed-method research. Within this particular design, the study is structured in a manner where the quantitative and qualitative aspects are carried out separately, and afterwards integrated during the overall interpretation phase.

**Sampling Design:** The study will employ a non-probability sample technique called convenience sampling, taking into consideration the unique characteristics of the research and the complex circumstances posed by Lebanon's economic crisis. This sampling methodology entails the selection of research participants depending on their level of accessibility and desire to engage in the study.

**Data Collection:** The qualitative data has collected as semi-structured interviews will be conducted with 10 investors to investigate their investment decisions, risk perceptions, and financial strategies in the context of the economic crisis. The quantitative data has collected as structured surveys questionnaire to individuals, to gather information about their savings, spending, and borrowing patterns. The survey component of the thesis employed online surveys through Google Forms to gather responses from a sample of 300 individuals.

## RESULTS

### The interview thematic analysis reveals several key findings and insights

**Investment Experience and Commitment:** The interviewee's long-standing commitment to investing, spanning 12 to 20 years signifies their dedication and passion for the field. Their ability to weather various market conditions highlights their resilience as investors.

**Diversification and Impactful Investments:** The interviewee's investment strategy is characterized by diversification across various industries, emphasizing the importance of spreading investments to mitigate risk and

explore opportunities. They also focus on impactful investments that benefit Lebanese society and align with ethical and societal values. This approach reflects a commitment to making a positive impact on society through their investment choices.

### Initiation into Investing

**Adaptive Investment Strategy:** The interviewee's investment strategy has evolved over time, adapting to the changing economic landscape, especially in Lebanon. They emphasize sustainable growth and value investing principles, reflecting a long-term perspective. This approach is aligned with their commitment to making investments that contribute to societal advancement and align with ethical values.

**Risk Evaluation and Mitigation:** The interviewee employs a comprehensive approach to evaluating risks and returns, considering both quantitative and qualitative factors. They also seek guidance from experts and monitor market developments to inform their risk assessment. This balanced approach combines data-driven insights with a broader understanding of market dynamics.

**Impact of Economic Crises:** Economic crises have led to increased caution, a focus on stability, and a preference for resilient assets in the interviewee's investment decisions. They have also embraced due diligence and thorough research as a response to economic challenges, indicating a more rigorous approach to decision-making.

**Risk Tolerance and Long-Term Financial Planning:** The interviewee's risk tolerance has shifted towards caution during economic crises. They emphasize the need to establish financial resilience, adapt long-term financial plans, and prioritize diversification and flexibility in their financial objectives.

## DISCUSSION

The results resonate strongly with the key findings highlighted in the literature review, providing a nuanced and detailed understanding of how individuals in Lebanon respond to the ongoing economic crisis (Folke, 2021). One notable alignment lies in the amplification of behavioural biases during crises (Philip Corr, 2023). As per the literature, investors tend to become more risk-averse and sensitive to potential losses during such times. The participants' cautious investment approach, emphasis on risk mitigation, and adaptability echo this phenomenon. This indicates the presence of behavioural biases like loss aversion and heightened risk perception, which guide their decision-making. Diversification and risk tolerance, as illuminated in the literature, also find substantial confirmation in the interview results. The participants' preference for diversifying across industries and the allocation of liquid assets align with the literature's assertion that investors may shift towards safer assets during crises (Ruggeri, 2020). Moreover, the importance of financial knowledge and education in influencing risk tolerance corresponds with the literature's emphasis on the role of expertise in shaping investors' risk tolerance (Joelle H. Fong a, 2021). The economic crisis in Lebanon, as described in the provided literature, sets the stage for understanding the profound impact

Title	Summary	Gap My Thesis Will Fill
Financial Literacy, Financial Behaviours, and Financial Crises: The Case of Lebanon DERMESROBIAN, R. M. (2023). Financial Literacy, Financial Behaviours, and Financial Crises: The Case of Lebanon. <i>Journal of Applied Economic Sciences (JAES)</i> , 18(79), 39-49.	The longstanding academic dialogue surrounding financial literacy asserts its role in fostering appropriate financial behaviours and enhancing financial inclusion. The study examines Lebanon's context during financial crises.	While this article emphasizes the role of financial literacy in shaping financial behaviours, my thesis provides a deeper exploration of how specific financial behaviours and risk perceptions evolved during Lebanon's economic crisis.
The Need for Reform of Financial Markets in Times of Crisis in Emerging Economies: The Case of Lebanon Abou El Hassan, M. (2022). The need for reform of financial markets in times of crisis in emerging economies: the case of Lebanon. <i>European Journal of Interdisciplinary Studies</i> , 14(1), 230-240.	The study addresses the resilience of Lebanon's financial markets during global financial crises. The research underscores the importance of financial market reforms in emerging economies like Lebanon.	This study highlights the need for reforms in financial markets. My thesis delves deeper into the financial behaviours of individuals and investors during the economic crisis, providing a more nuanced understanding.
Behavior Financial Theory and Analysis of Investor Behavior in the Capital Markets in Lebanon Abd Alia, Z. N., & ALhamad, A. M. (2022). Behaviour Financial Theory and Analysis of Investor Behavior in the Capital Markets in Lebanon. <i>Journal of Management and Economic Studies</i> , 4(2), 82-90.	The article appears to delve into financial topics, possibly related to market dynamics, financial behaviours, or economic indicators, within a specific context or region.	My thesis likely presents a more detailed exploration of financial behaviours and risk perceptions in the context of Lebanon's economic challenges.
The Effect of Financial Literacy on Investment Decision-Making in Southern Lebanon Alaaraaj, H., & Bakri, A. (2020). The effect of financial literacy on investment decision-making in Southern Lebanon. <i>International Business and Accounting Research Journal</i> , 4(1), 37-43.	The article delves into the relationship between financial literacy and investment decision-making in Southern Lebanon.	The article focuses on the relationship between financial literacy and investment decisions. My thesis, however, offers a more comprehensive examination of financial behaviours and risk perceptions in the broader context of Lebanon's economic turmoil.
Prospect Theory: An Analysis of Decision under Risk Kahneman, D., & Tversky, A. (2013). Prospect theory: An analysis of decision under risk. In <i>Handbook of the fundamentals of financial decision making: Part I</i> (pp. 99-127).	This seminal paper introduced "Prospect Theory", which provides a descriptive model of decisions made under risk.	Prospect theory offers a general framework for decisions under risk. My thesis, however, provides a specific exploration of financial behaviours and risk perceptions during Lebanon's economic turmoil.
The Global Financial Crisis and the Efficient Market Hypothesis: What Have We Learned? Ball, R. (2009). The global financial crisis and the efficient market hypothesis: what have we learned?. <i>Journal of Applied Corporate Finance</i> , 21(4), 8-16.	The article addresses the aftermath of the global financial crisis and its implications for the efficient market hypothesis.	The article evaluates the efficient market hypothesis of the global financial crisis. My thesis, in contrast, focuses on individual and collective financial behaviours during Lebanon's unique economic challenges.
Role of Affect in Decision Making Loewenstein, G., & Lerner, J. S. (2003). The role of affect in decision making. <i>Handbook of affective science</i> , 619(642), 3.	The article likely discusses the influence of emotions and their effect on financial and investment decisions.	While this article likely discusses the role of emotions in financial decisions, my thesis offers a more comprehensive examination of behavioural finance amidst Lebanon's economic crisis.
Market Efficiency, Long-Term Returns, and Behavioral Finance Fama, E. F. (1998). Market efficiency, long-term returns, and behavioral finance. <i>Journal of financial economics</i> , 49(3), 283-306.	The paper defends the hypothesis of market efficiency against challenges from the literature on long-term return anomalies.	While this article defends market efficiency, my thesis delves into specific behavioural nuances in the context of Lebanon's economic crisis, exploring potential inefficiencies and anomalies.

**Table 2. Correlation between the Impact of Economic Crisis on Monthly Savings and Changes in Spending Habits in Lebanon**

		How has the economic crisis in Lebanon affected your monthly savings?	Have you made any significant changes to your spending habits since the onset of the economic crisis in Lebanon?
Spearman'srho	How has the economic crisis in Lebanon affected your monthly savings?	Correlation Coefficient	1.000
		Sig. (2-tailed)	.
		N	101
	Have you made any significant changes to your spending habits since the onset of the economic crisis in Lebanon?	Correlation Coefficient	-.204*
		Sig. (2-tailed)	.041
		N	101

\*. Correlation is significant at the 0.05 level (2-tailed).

**Table 3. Correlation between Perceptions of Financial Risk before and After the Onset of Economic Crisis**

Correlations			
		On a scale of 1 to 5, how would you rate your perception of financial risk before the economic crisis?	On a scale of 1 to 5, how would you rate your perception of financial risk after the onset of the economic crisis?
On a scale of 1 to 5, how would you rate your perception of financial risk before the economic crisis?	Pearson Correlation	1	-.872*
	Sig. (2-tailed)		.013
	N	101	101
On a scale of 1 to 5, how would you rate your perception of financial risk after the onset of the economic crisis?	Pearson Correlation	-.872*	1
	Sig. (2-tailed)	.013	
	N	101	101

it has had on the financial behaviors of individuals and investors in the country. Lebanon's crisis is unique in its complexity and severity, stemming from structural flaws, unsustainable policies, political instability, and socio-economic challenges (Charbel Salloum, October 2015; Yousef, 2020). This backdrop of deep-rooted issues has created an environment of extreme uncertainty and has significantly heightened the economic and psychological burden on the population. The interview results, which align with the literature, shed light on how individuals and investors in Lebanon are responding to this multifaceted crisis. The depreciation of the Lebanese Pound, rampant inflation, and strict capital restrictions have eroded confidence in financial institutions (Neaimi, 2015). This loss of trust has led individuals to explore alternative financial channels, such as investments in foreign currencies and real estate, as well as contemplating migration as a means of safeguarding their financial futures. The participants' emphasis on diversification and risk mitigation in their investment strategies aligns with the literature's assertion that economic crises tend to make individuals more risk-averse (Malmendier & Nagel, 2011; Dulleck, September 2020). This shift towards low-risk assets is a practical manifestation of behavioral portfolio theory, where investors prioritize risk management over maximizing utility (Shefrin & Statman, 2000).

Furthermore, the interview results indicate a structured approach to savings and spending, which corresponds to the literature's discussion of individuals modifying their financial strategy during economic crises (Keynes, 1936). Individuals in Lebanon, much like the "Paradox of Thrift" described by Keynes, are increasing their savings and reducing their spending in response to economic uncertainty (Thaler, 1990). This behavioral shift can be attributed to the heightened fear and uncertainty experienced during the crisis, aligning with the behavioral economics perspective that emphasizes the role of emotions in financial decision-making. The findings also shed light on the borrowing practices of individuals in Lebanon during the crisis. Many interviewees discussed their reluctance to take on additional debt, emphasizing the challenges they faced in obtaining loans and their concerns about meeting debt repayment obligations. This aversion to borrowing aligns with the broader economic situation in Lebanon, where banks imposed strict capital controls and credit conditions tightened (Jappelli & Pagano, 1989). The economic crisis in Lebanon has had a profound impact on the investment decisions of individual investors. The interview findings suggest that many investors in Lebanon have become more risk-averse as a result of the crisis. They are now more inclined to avoid high-risk investments and have shifted their portfolios towards safer assets, such as foreign currencies and real estate. This behavioural pattern aligns with the research conducted by Malmendier and Nagel (2011), which indicates that individuals who have experienced economic downturns tend to exhibit reduced risk tolerance and a preference for low-risk assets. The crisis-induced uncertainty and financial instability in Lebanon have prompted investors to prioritize capital preservation over potential returns, reflecting the principles of behavioural finance. The study's findings reveal distinct behavioural patterns among individuals in Lebanon in response to the economic crisis. In terms of savings, individuals have shown a strong inclination to save more during the crisis, driven by a precautionary motive to

safeguard against future economic uncertainties, consistent with Keynes's Precautionary Saving Model (1936). Regarding spending, interviewees reported a reduction in discretionary spending, reflecting the "paradox of thrift" concept put forth by Keynes (1936). This behavioural shift is motivated by heightened apprehension about financial security during the crisis. Concerning borrowing, interviewees displayed a reluctance to take on additional debt due to concerns about debt repayment and financial vulnerability, in line with the tightening credit conditions observed during economic crises (Jappelli & Pagano, 1989). These behavioural patterns underscore the impact of the crisis on savings, spending, and borrowing decisions in Lebanon and highlight the relevance of behavioural finance in understanding these choices. The economic crisis in Lebanon has created a challenging context for the application of behavioural finance principles. The crisis's unique characteristics, including political instability, currency devaluation, and widespread distrust in financial institutions, have led individuals and investors to adapt their financial behaviours.

### Hypothesis Testing

**H01:** There is no relationship between individuals who experienced a significant decrease in monthly savings due to the economic crisis in Lebanon and those who have significantly reduced their spending habits.

**H11:** Individuals who experienced a significant decrease in monthly savings due to the economic crisis in Lebanon are more likely to have significantly reduced their spending habits. From the data, 29.7% of respondents reported that their monthly savings had "Significantly decreased" and 39.6% of respondents reported that they've "significantly reduced" their spending since the onset of the economic crisis. There could be a direct correlation between the decline in savings and the significant reduction in spending as a coping mechanism.

**To investigate this correlation a spearman correlation test was done**

**Previous research:** According to table 5, the obtained correlation coefficient is -0.204, suggesting a weak negative association between these variables. This means that when individuals experience a greater negative effect on their monthly savings due to the crisis, they exhibit a tendency to decrease their spending, though this relationship is not robust. With a p-value of 0.041, the correlation is statistically significant at the 5% level, indicating a genuine link between the variables despite its weak strength. The analysis is based on a sample size of 101 participants. To sum it up, while the economic crisis's adverse effects on monthly savings are weakly associated with reduced spending habits, this relationship is statistically significant, suggesting that increased financial strains lead some individuals to curtail their expenditures. Thus H01 was rejected.

**H02:** The economic crisis in Lebanon has not led to an increased perception of financial risk among individuals.

**H12:** The economic crisis in Lebanon has led to an increased perception of financial risk among individuals.

When asked about their perception of financial risk before the economic crisis, the majority (39.6%) rated it as 3 out of 5. However, after the onset of the crisis, there was a notable shift with more individuals rating their perception as 4 out of 5 (22.8%) and 5 out of 5 (14.9%) compared to before. This indicates that individuals now perceive higher financial risks due to the economic crisis. The data in table 6 illustrates a correlation analysis comparing individuals' perceptions of financial risk before and after the onset of an economic crisis. The Pearson Correlation coefficient is -0.872, which indicates a strong negative correlation between the two variables. This means that as the perception of financial risk before the crisis increases, the perception after the crisis substantially decreases (or vice versa). The significance level (Sig. (2-tailed)) is 0.013, which is less than the standard threshold of 0.05, denoting that this correlation is statistically significant. Thus, H02 is rejected.

## CONCLUSION AND RECOMMENDATIONS

### CONCLUSION

The economic crisis in Lebanon, which began in October 2019, is seen as a significant financial predicament of unprecedented magnitude for the country. The problem, characterized by a series of interconnected issues such as ongoing budget deficits, substantial public debt, and an inflexible exchange rate peg, has transformed into a currency crisis with wide-ranging consequences. The nation's economic predicament was exacerbated by the political unrest and the devastating explosion that occurred in Beirut's port in August 2020. Consequently, the Lebanese population faced significant challenges including a substantial rise in unemployment rates, heightened levels of poverty, and a severe devaluation of the Lebanese Pound, experiencing a depreciation of more than 90% of its value. The economic environment experienced a significant number of firm closures, the collapse of institutional finances, and a quick depletion of foreign reserves.

#### The findings of the study indicate

- Reduction in expenditures as a strategy for managing the crisis.
- Heightened propensity to acquire loans.
- Notable alteration in individuals' perception of risk.
- Increased tendency to perceive heightened financial risk.
- The level of confidence in the stability of financial futures has diminished.
- Increased prudence of financial actions.

### RECOMMENDATIONS

Given the profound economic crisis now experienced in Lebanon and the notable changes in behaviour that have been seen, a number of recommendations can be put up:

- The enhancement of financial literacy and resilience necessitates the essential of bolstering financial education. The objective is to develop and advance financial education initiatives that specifically cater to

consumers and investors. These programs will cover many aspects such as optimal savings techniques, investment diversification tactics, and responsible borrowing practices.

- It is imperative for policymakers to prioritize efforts that provide support to Small and Medium Enterprises (SMEs) as a means to facilitate economic recovery, ensure company viability, and foster job creation.
- The government and central bank undertake a thorough examination of monetary and fiscal changes in order to achieve currency stability, effectively manage public debt, and foster an environment that is favourable for foreign investments.
- It is imperative to promote the practice of long-term financial planning and investing, wherein individuals should carefully assess the allocation of their assets across varied portfolios.
- 5-The implementation of social safety nets has a key role in mitigating the impact of the crisis on disadvantaged populations, as it guarantees them access to essential commodities and healthcare services.
- Financial institutions must to bolster their risk management measures, particularly in periods of economic upheaval, and contemplate offering alternative financial products that address consumers' evolving requirements in times of crisis.
- 7-The exploration of options for public-private partnerships to boost economic growth and recovery is of utmost importance. The synergy between the public and private sectors has the potential to serve as a driving force for transformative progress and advancement.
- 8- Lebanon has been prompted to engage in a critical reassessment of their financial strategy and decision-making processes.

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