

Access financial literacy levels among students, a study of awareness and its practices

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ABSTRACT-

The paper discuss the results of the study which explore financial literacy among the youngsters (students). Financial literacy has emerged as a critical life skill in today's dynamic economic environment, especially for students who represent the future workforce and decision-makers of society. This study aims to assess the financial literacy levels among students with a specific focus on their awareness and actual practices related to personal finance. The research explores dimensions such as budgeting, savings, investment, banking services, digital finance, and responsible credit usage. A structured questionnaire was employed to gather primary data from students across different academic streams. The analysis highlights the gap between awareness and its practical application, revealing that while many students are aware of basic financial concepts, their implementation in day-to-day financial decisions remains limited. The findings underline the need for targeted financial literacy programs, inclusion of financial education in academic curricula, and practical training modules to bridge the awareness–practice divide.

Key Words – Financial literacy, Students, Savings.

INTRODUCTION

Financial awareness plays a vital role in shaping the economic behavior of individuals, especially among students who are the future workforce and decision-makers of society. In the present era of increasing financial products, digital transactions, and complex banking services, students are expected to handle money wisely and make informed financial decisions. Financial awareness is not limited to basic knowledge of savings and expenditure, but also includes understanding concepts like budgeting, investments, banking, insurance, digital payments, and responsible credit usage.

Among students, financial awareness helps in developing positive financial habits such as systematic saving, avoiding unnecessary debts, and practicing responsible spending. It also enhances their confidence in managing

personal finances and prepares them for future financial responsibilities like higher education expenses, career planning, and entrepreneurship. However, research shows that many students lack adequate financial literacy, which may lead to poor financial choices, debt traps, and limited financial independence.

Therefore, studying financial awareness among students is important to assess their level of understanding, the practices they follow, and the gaps that need to be addressed through education and policy initiatives. This research aims to highlight the current status of financial awareness, the factors influencing it, and its role in promoting financial stability and economic growth in the long run.

Objectives of the Study

1. To assess the level of financial

- awareness among students regarding savings, budgeting, and expenditure.
2. To examine students' knowledge about modern banking services, digital payments, and online transactions.
 3. To evaluate students' awareness about investment options such as fixed deposits, mutual funds, insurance, and pensions.

Literature Review

- 1) **.Choi, Y., & Park, S. (2023). "Impact of Educational Interventions on Financial Literacy Among Undergraduate Students: A Longitudinal Study."** This study explores the effectiveness of educational interventions on improving financial literacy among undergraduate students over time, highlighting the importance of longitudinal approaches in assessing educational outcomes.
- 2) **Chen, W., & Wu, H. (2022). "Financial Literacy and Career Aspirations: A Longitudinal Study Among Undergraduate Students."** Chen and Wu explore the relationship between financial literacy levels and career aspirations among undergraduate students over time, examining how financial knowledge influences students' career choices and financial planning for the future.
- 3) **Patel, S., & Desai, M. (2022). "Impact of Financial Literacy Education on Undergraduate Students in India: A Longitudinal Analysis."** Patel and Desai conduct a longitudinal

analysis to examine the effectiveness of financial literacy education programs among undergraduate students in India. They evaluate the long-term impact of these programs on students' financial knowledge, attitudes, and behaviours

- 4) **Sharma, R., Gupta, S., & Singh, A. (2023) . "Assessing Financial Literacy Awareness among Undergraduate Students in India: A Review of Literature."** Indian Journal of Finance, 20(3), 112-125. This paper critically examines the existing literature on financial literacy awareness among undergraduate students in India, highlighting key findings and gaps in research. By focusing specifically on the Indian context, it provides valuable insights for policymakers and educators to address the unique challenges and opportunities in promoting financial literacy among Indian undergraduates.

Meaning:-

Financial literacy means money management education of knowing and using skills and abilities on how to generate income, save the money, investing, budgeting and take effective decisions on money management.

Reasons financial literacy is Essential:-

Financial literacy guide students how to manage their income from pocket money to high-salary package which helps them to generate saving habits and make their future secure financially.

- 1) Guide college going

students to take wise financial decisions and avoid unwanted expenses.

- 2) Financial literacy helps teaches students to respect their parents' harden money.
- 3) It helps students learn how to budget, save, spend and invest wisely.
- 4) Financially literate young generation contribute in nation's prosperity.
- 5) It teaches students to distinguish between needs and wants, helping them avoid impulsive purchases.

RESEARCH METHODOLOGY:

Research methodology is the specific procedures or techniques used to identify, select, process and analyze information about the topic. It is a way of systematically solving the research problems.

For the purpose of this study a random sampling method was followed and 50 responses were collected. The study uses questionnaire method of data collection. The questionnaire consisted two parts: the first part covers demographic information; the second part aims at analyzing the financial knowledge among students.

Aim: To analyze and determine the level of financial knowledge among college going students.

Research Design: Descriptive Research.

Sources of data collection: The Primary as well as the secondary sources was used for collection of data.

Primary data: questionnaire and sample

survey.

Secondary data: websites and journals.

Data type: Primary as well as Secondary data was collected. Nature of data: The population being large the survey was carried among 50 members of respondents.

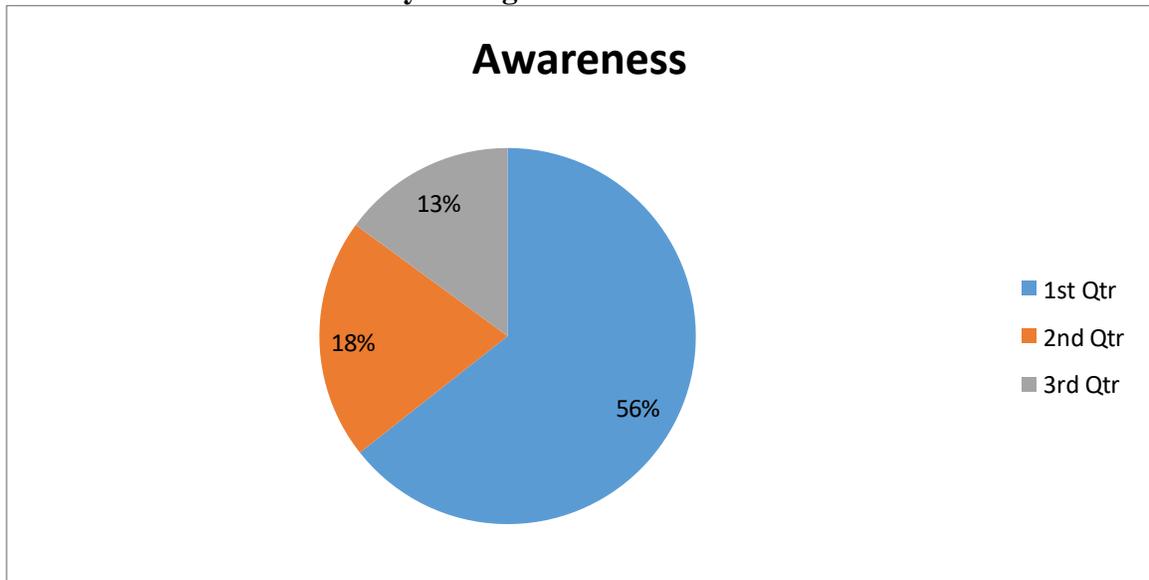
Sample unit: It is selected from college students.

Sample size: 50 respondents.

Findings and suggestions: This survey is conducted to find out whether students are aware of financial literacy in India. and also, whether students are aware about money management technique about spending, investing, budgeting and controlling their money or savings. There is an immediate need to incorporate financial literacy among every

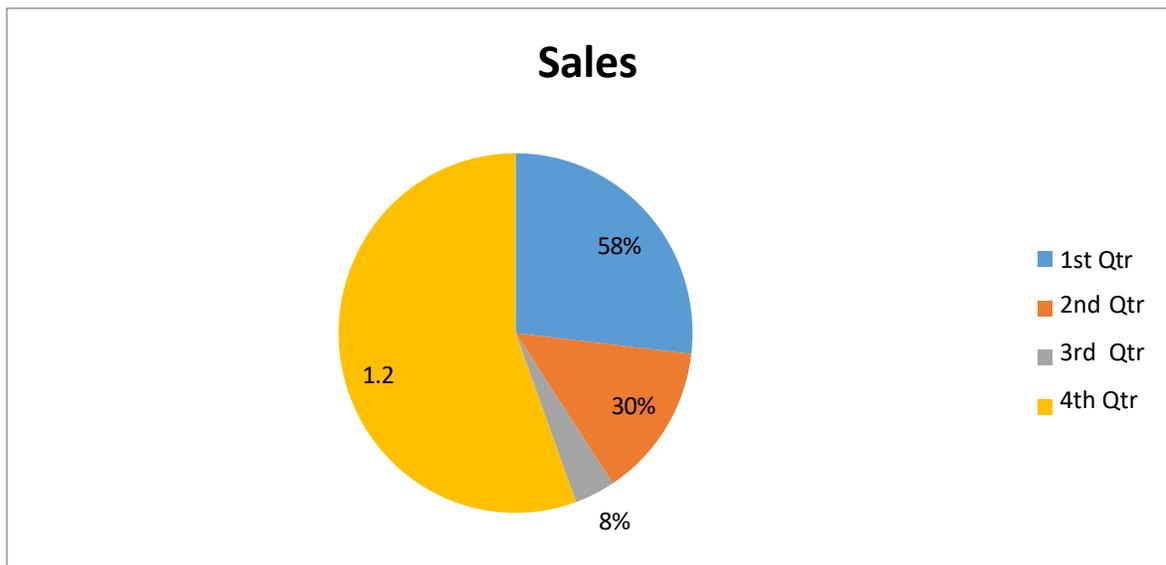
DATA ANALYSIS AND INTERPRETATION:

1. Awareness of financial literacy among students



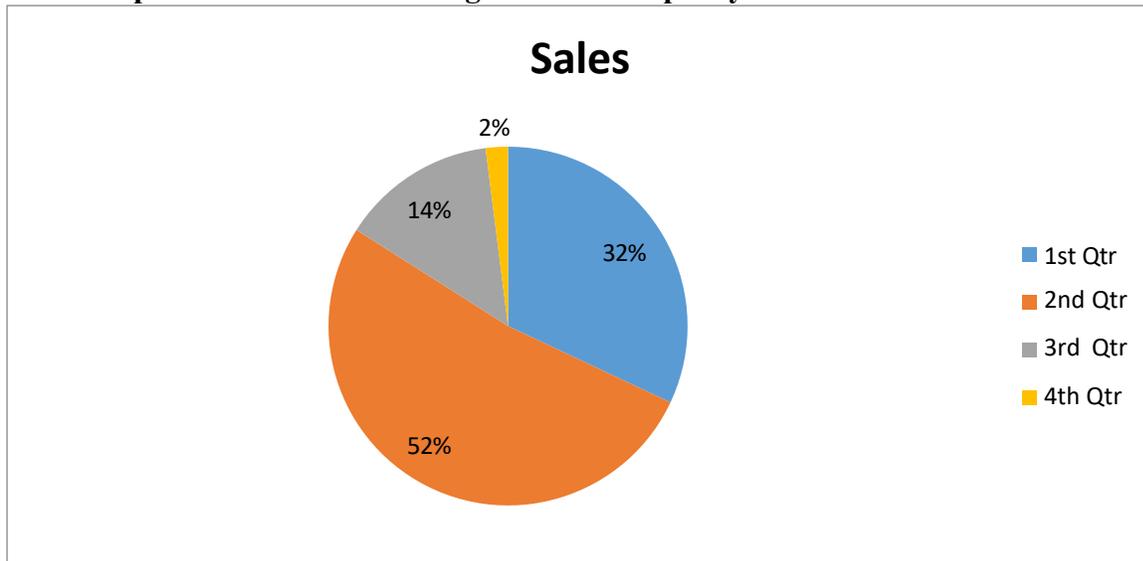
Interpretation: It was found that about 56% respondents were aware of financial literacy. 18% respondents were not aware of financial literacy. 13% respondents were not sure about the financial literacy.

2. Respondents view on financial literacy :



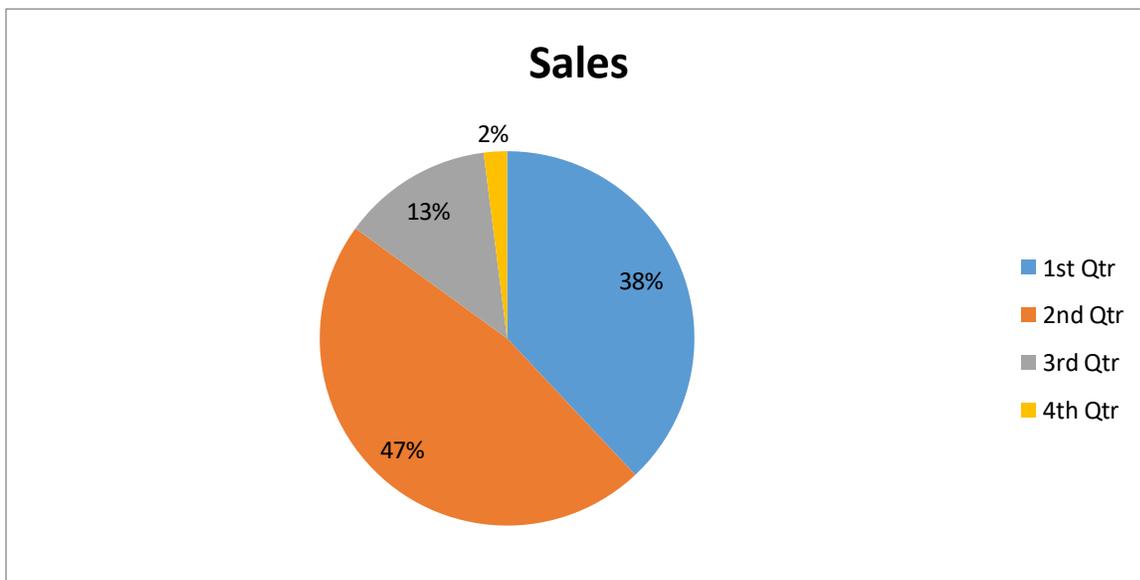
Interpretation: 58% respondents agreed that financial literacy means financial management, investing, budgeting. 30% respondents agreed that financial literacy means only personal financial management. 8% respondents viewed financial literacy has budgeting and rest 4% respondents just viewed financial literacy has investing.

3. Respondents view about the statement “ Financial Literacy is very important for Nation’s Progress and Prosperity”



Interpretation : 32% respondents strongly agreed for this above statement. 52% of respondents agreed with this above statement. 14% respondents partially agreed with this statement and rest 14% of respondents disagreed with the above statement.

4. Respondents view on statement, “ Financial literacy helps families and society in balancing their savings and budget”



Interpretation : 38% of respondents strongly agreed with this above statement. 47% of respondents agreed with this above statement. 13% % of respondents partially agreed with this above statement. 2% % of respondents disagreed with this above statement.

The basic financial education at the Intermediate and college level must include :

- I. A strong understanding of financial planning.
- II. Knowledge of usage basic financial products.
- III. Effective money management.
- IV. Debt Management.
- V. Prioritizing needs over wants.

Limitations:

Around every positive side there will always be a negative face. The main problem in today's generation and economy is the lack of financial literacy. Following is the list of disadvantages of financial literacy.

- I. Lack of financial knowledge
- II. Over confidence about the financial knowledge.
- III. Lack of government initiatives, frameworks and regulations.
- IV. Lack of planning about financial literacy.
- V. Lack of money management.

Conclusion:

Financial literacy in India has given topmost priority because every country's economic growth is directly proportional to financial literacy. It's nothing but a personal financial management. It is the management education of knowing how to generate income, save the money, invest and also to spend the money. It helps in gaining knowledge of individuals by providing a clear understanding of using their skills and abilities to take effective

decisions on money management. Financial literacy is totally related to individuals' income their earnings, investments, savings and also their expenditures. According to an "Accredited Financial Literacy Survey", India covers only 24% in financial literacy rate. It means the rest of 76% of population in India, is financially illiterate because of this, India is unable to grow or to compete with the other developed countries. And still India is developing country. So, to develop our country, it is important to know the true Value of financial literacy in India. "India has a greater chance of progress and prosperity if every individual in country is financially literate".

Findings :

A study on financial literacy among students finds a low to moderate level of financial awareness and there is a gap between awareness and practical application of financial knowledge. Most students grasp basic concepts like saving, budgeting etc. , they often lack in understanding complex areas like investment, debt management and effect of inflation.

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