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"Financial Literacy and the Future: Awareness Levels among Young Learners"

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ABSTRACT :

In today's dynamic economic environment, financial literacy is an essential skill for students to manage personal finances and make informed financial decisions. This study aims to assess the level of financial literacy awareness among college students and examine differences based on academic background and gender. Researchers selected a sample of 100 students from the Jaipur region—50 from commerce and 50 from non-commerce backgrounds—using a random sampling method. Data were collected through a structured questionnaire covering budgeting, saving, investment, and credit management. The results revealed a statistically significant difference in financial literacy awareness between commerce and non-commerce students, with commerce students scoring higher. However, no significant difference was observed between male and female students. These findings suggest that academic background influences financial literacy levels, while gender does not. The investigation highlights the value of integrating financial education into all academic streams to promote financial competence among youth.

Keywords: Financial Literacy; Academic Background; Gender Differences; Financial Education; Financial Knowledge.

INTRODUCTION

In today's dynamic and complex economic environment, financial literacy has emerged as a critical life skill for individuals across all age groups, particularly for students. Financial literacy refers to the knowledge and understanding of financial concepts and the ability to apply such knowledge to make informed and effective financial decisions (OECD, 2013). With rising globalisation, digitisation, and increasing access to financial services, financial literacy has become indispensable in shaping individuals' financial well-being (Lusardi & Mitchell, 2014).

Students, being at the threshold of entering adulthood and financial independence, face a variety of financial responsibilities, including managing education loans, budgeting, savings, online transactions, and investments. However, many studies reveal that students often lack adequate financial knowledge, which results in poor money management skills and financial stress (Chen & Volpe, 1998; Mandell, 2008). This inadequacy can lead to significant long-term consequences, including excessive debt, low savings, poor credit behaviour, and vulnerability to financial frauds (Atkinson & Messy, 2012).

Globally, financial literacy among youth remains alarmingly low. Lusardi et al. (2010) found that even in developed countries, young adults fail to answer basic financial questions related to interest, inflation, and risk diversification. In the Indian context, where financial inclusion is gradually improving through initiatives like Jan Dhan Yojana and digital platforms such as UPI, the financial awareness among students still lags behind (RBI, 2021). Despite the increased availability of banking services and financial tools, the actual understanding and practical usage remain limited.

Moreover, the proliferation of digital financial services and cashless transactions demands a higher level of financial competence from young users (OECD/INFE, 2020). Students need to be equipped not just with theoretical financial knowledge but also with practical skills to navigate emerging financial ecosystems. Lack of such competencies can result in poor financial behaviour, impulsive spending, low savings rates, and susceptibility to cyber threats and scams (Xiao et al., 2011).

Understanding students' current level of financial literacy is essential for the development of effective educational programmes and interventions. Financial education at an early stage can empower students with the confidence and capacity to manage their personal finances, take responsible financial decisions, and contribute to broader economic stability (Lusardi, 2019). Hence, this study aims to assess the level of financial literacy awareness among students and explore the factors influencing their financial knowledge and behaviour.

REVIEW OF LITERATURE

Several studies in recent years have explored different dimensions of financial literacy among students and its relevance to their academic background, digital exposure, and income levels.

TABLE: 01

Researcher(s)	Year	Title/Focus	Sample & Region	Key Findings	Implications
Chen & Volpe	1998	Financial Literacy Among U.S. College Students	924 students, 14 U.S. universities	Business majors outperformed others; prior exposure enhanced literacy.	Recommend mandatory financial literacy in college education.
OECD/INFE	2012	Global Financial Literacy Survey Framework	Youth and adults in 14 countries	Students use financial tools but lack deep understanding (e.g., compound interest, risk).	Need for global standards and national financial education strategies.
Lusardi & Mitchell	2014	Economic Importance of Financial Literacy	PISA data, students (15 yrs) from 18 countries	Low financial literacy globally; especially weak among lower-income students.	Early financial education improves economic outcomes.
OECD	2017	PISA 2015 Financial Literacy Results	125,000+ students from 15 countries	Major cross-country differences; socio-economic status impacts financial knowledge.	Integrate financial literacy in school curricula.
Patel, H.	2020	Financial Literacy in Rural vs. Urban Gujarat Students	160 school students (rural & urban)	Urban students had more awareness; rural students better savers but less exposed to formal tools.	Region-specific financial programs needed.
Mehta, S.	2021	Financial Knowledge of Senior Secondary Students	140 school students, Punjab (Govt. & Pvt. schools)	Basic knowledge present; budgeting and inflation poorly understood. Private schools performed better.	Promote interactive learning and school-based programs.
Joshi, M.	2022	Financial Awareness and Behaviour in Rajasthan	180 college students, Rajasthan	Students knew basics but didn't apply them; limited investment knowledge.	Suggest practical financial education at college level.
Das, R.	2022	Financial Literacy and Investment Behaviour in Assam	100 undergraduates, arts, science, commerce streams	Commerce students understood and used investment tools better.	Financial literacy leads to better financial behavior; workshops recommended.
Banerjee, A.	2023	Commerce vs. Non-Commerce Student Financial Literacy	120 undergraduates, Kolkata	Commerce students had stronger financial knowledge; non-commerce lacked investment understanding.	Interdisciplinary training needed to bridge the gap.
Tripathi, P.	2023	Gender Differences in Financial Literacy	130 students (65M, 65F), Madhya Pradesh	Males better in credit/investment; females better in saving. No significant gender gap overall.	Call for gender-inclusive financial education initiatives.

OBJECTIVE

- The aim of this study is to assess the level of financial literacy awareness among college students from different academic backgrounds.
- The study aims to compare the level of financial literacy awareness between commerce and non-commerce students.
- The study also aims to examine the variations in financial literacy awareness among students based on their gender.
- The study aims to provide educational recommendations for enhancing financial literacy as a means of promoting entrepreneurship among youth.

METHODOLOGY

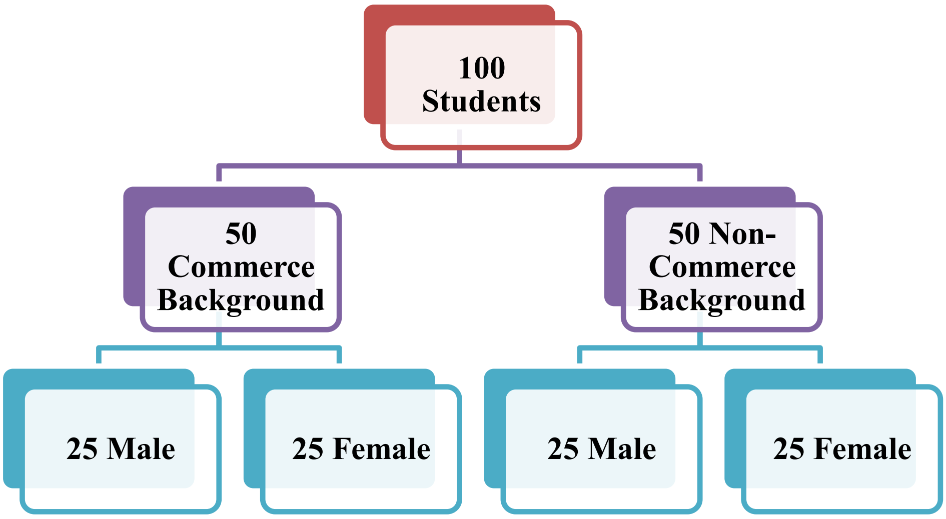
The study employed a *descriptive survey research design* to assess financial literacy awareness among students. Data were collected using a *structured questionnaire* developed by the researcher, covering key financial concepts like budgeting, saving, investment, and credit management. The questionnaire also gathered *demographic information,* such as age, gender, academic stream, and family income. A *pilot test* was conducted to ensure reliability and clarity. The final results were analysed using appropriate *statistical tools* to interpret students' financial literacy levels across different groups.

- **VARIABLE**

Financial Literacy is the **Dependent Variables** & **Higher Education Students** is the **Independent Variable**.

- **POPULATION & SAMPLE**

In the present study, the target population comprised *college students from the Jaipur region*. A total *sample of 100 students* was selected using the *random sampling method*, which included *50 students from commerce backgrounds* and *50 students from non-commerce backgrounds*.



HYPOTHESIS

There is no significant difference in financial literacy awareness among students from commerce and non-commerce backgrounds.

Table: 02

Group	N	Mean	Standard Deviation	t-ratio	Significance level	Result
FLA in Commerce Background	50	60.88	9.89	7.11	0.05	Hypothesis is Rejected
FLA in Non-Commerce Background	50	49.76	4.94			

***FLA = Financial Literacy Awareness**

Degree of Freedom = [N**1**+N**2**]-2

= [50+50]-2

= 98

Significance Level of 0.05 = 1.9845

ANALYSIS AND INTERPETATION

A two-tailed t-test was conducted on a sample of 100 students (50 from each group). Commerce students had a mean score of 60.88 (SD = 9.89), while non-commerce students had a mean of 49.76 (SD = 4.94). The calculated t-value was 7.11, which is greater than the critical value of 1.9845 at the 0.05 level of significance with 98 degrees of freedom.

Since the calculated t-value exceeded the critical value, the null hypothesis was rejected. This indicates a statistically significant difference in financial literacy awareness between the two groups, with commerce students scoring higher.

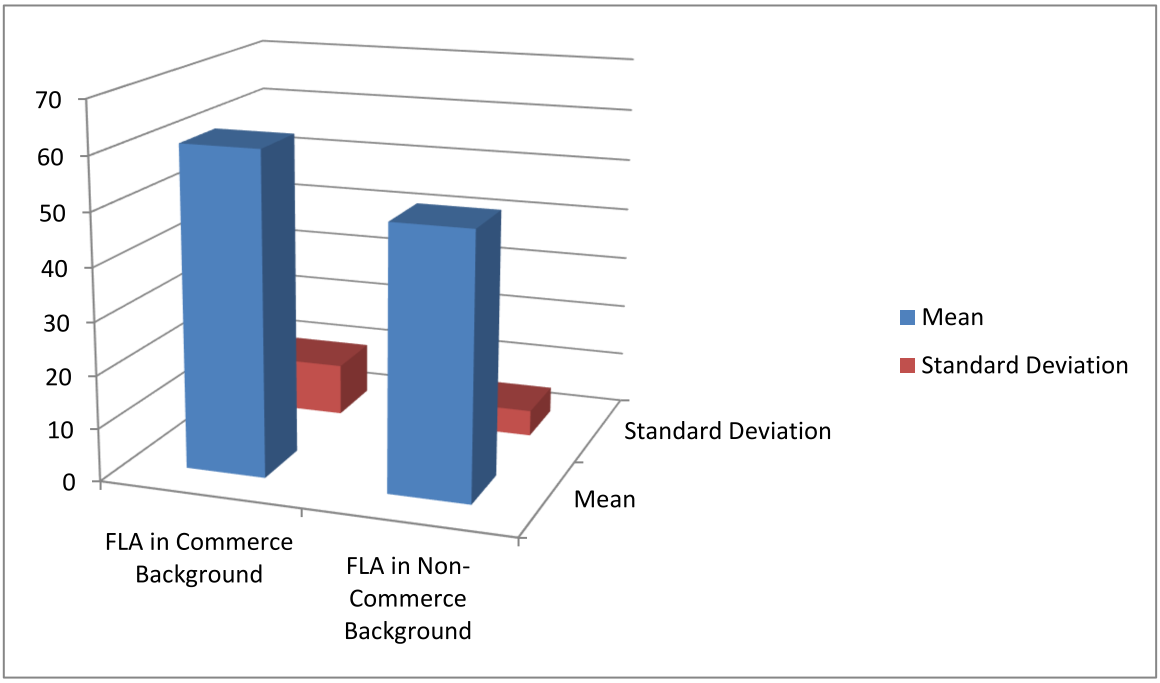
DISCUSSION

The higher financial literacy among commerce students is likely due to curriculum exposure to subjects like accounting, economics, and business studies. Non-commerce students may lack this structured exposure, resulting in lower awareness.

These findings suggest that academic background significantly influences financial literacy. The two-tailed approach was appropriate, allowing exploration in both directions. The result illustrates the importance of integrating financial education across all academic streams to build essential financial skills in all students.

GRAPHICAL REPRESENTATION:

Fig. 01



There is no significant difference in financial literacy awareness between male and female students.

Table: 03

Group	N	Mean	Standard Deviation	t-ratio	Significance level	Result
FLA in Male Students	50	55.9	7.77	0.60	0.05	Hypothesis is Accepted
FLA in Female Students	50	54.74	11.31			

***FLA = Financial Literacy Awareness**

Degree of Freedom = [N**1**+N**2**]-2

= [50+50]-2

= 98

Significance Level of 0.05 = 1.9845

- **ANALYSIS AND INTERPRETATION**

A two-tailed t-test was applied to data from *50 male* and *50 female* students. The *mean score* for males was *55.9* (SD = 7.77), and for females, *54.74* (SD = 11.31). The *calculated t-value* was *0.60*, which is *less than* the *critical t-value* of *1.9845* at the 0.05 significance level with 98 degrees of freedom.

Since the calculated t-value is lower than the critical value, the *null hypothesis is accepted*. This indicates *no statistically significant difference* in financial literacy awareness between male and female students.

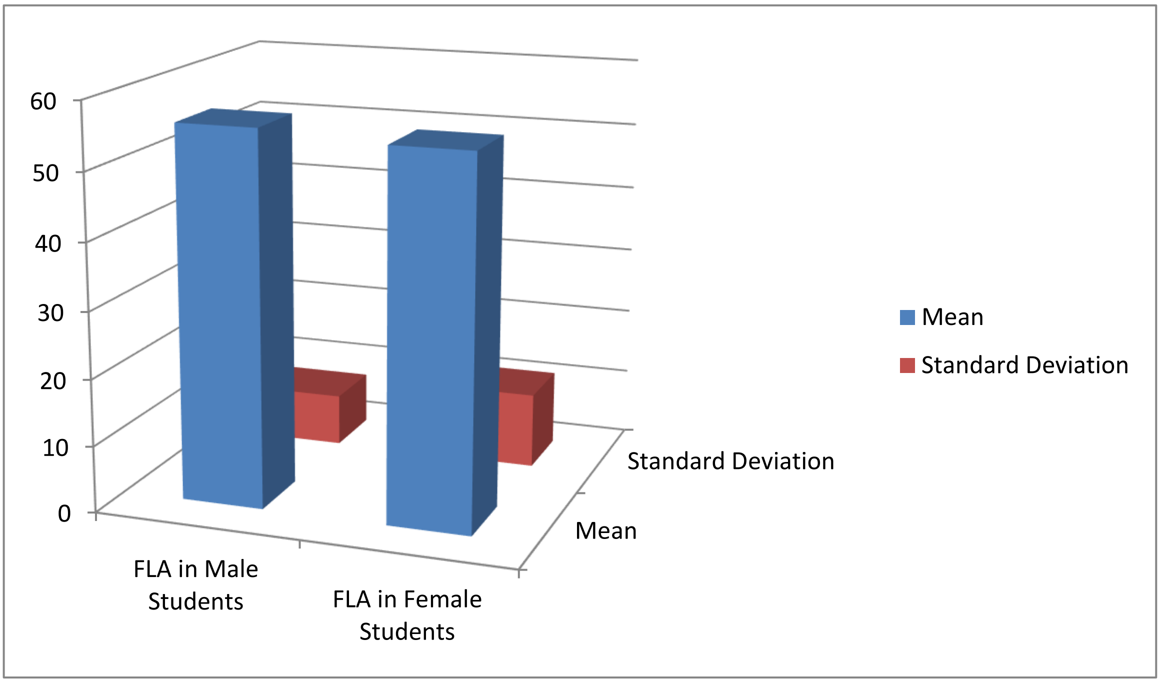
- *DISCUSSION*

The absence of a significant gender difference suggests a *positive trend toward educational equality* in financial literacy. It implies that both male and female students have *comparable access to financial knowledge and resources*, possibly due to inclusive teaching methods and greater awareness of the importance of financial skills.

The use of a *two-tailed test* ensured unbiased analysis. These findings support the idea that *financial literacy initiatives are reaching all genders equally*, which is promising for balanced and equitable educational development.

GRAPHICAL REPRESENTATION:

Fig. 03



EDUCATIONAL IMPLICATIONS

The findings have several implications for educational practice and policy:

- Curriculum Development: Financial literacy should be integrated into the curricula of all academic streams to promote financial competence among diverse student groups.
- Skill-Oriented Pedagogy: Practical learning through case studies, simulations, and digital financial tools should be emphasised to foster real-world financial skills.
- Inclusive Education: Gender-sensitive and socioeconomically inclusive approaches must be adopted to ensure equal access to financial education resources.
- Institutional Collaboration: Educational institutions should collaborate with financial organisations and government bodies to organise workshops, training sessions, and awareness programs.
- Policy Recommendations: Policymakers should consider making financial literacy a mandatory component at the secondary and higher education levels, particularly in non-commerce streams.

CONCLUSION

The findings of this study reveal important insights into the financial literacy awareness of college students. The significant difference observed between commerce and non-commerce students indicates that academic background has an important impact on how they develop financial knowledge. Commerce students, due to curriculum exposure to financial concepts, demonstrated higher levels of financial literacy. In contrast, non-commerce students showed relatively limited awareness, indicating the importance of more inclusive financial education across all disciplines.

Furthermore, the study found no significant difference in financial literacy awareness between male and female students, suggesting a positive trend toward gender parity in financial education. This reflects the growing accessibility and impact of financial literacy initiatives across gender lines.

Overall, the study underscores the urgent need to integrate structured financial education into higher education curricula, irrespective of academic stream or gender, to ensure that all students are equipped with essential financial skills for personal and professional success.

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