

A Study on Financial Literacy Among the College Students

MUSKAN KOCHAR¹, DR. ANNAPURNA METTA²

¹BBA Final Year Student, Amity Business School, Amity University Chhattisgarh

²Assistant Professor, Amity Business School, Amity University Chhattisgarh

Abstract- This study examines the financial management abilities of college students in India, with emphasis on their budgeting practices, saving patterns, and sources of financial knowledge. The research is based on primary data collected from 50 students through a structured questionnaire designed to capture key aspects of personal finance behavior. The results indicate that although students generally demonstrate a basic understanding of financial concepts, many find it difficult to apply this knowledge effectively in real-life situations. Behavioral factors, including confidence levels and family influence, play a noticeable role in shaping their financial decisions. The study offers insights that can support educators and policymakers in developing strategies to strengthen practical financial skills among students future.

Keywords: Financial Literacy, Budgeting, Saving Behavior, College Students, Financial Decision-Making, India

I. INTRODUCTION

In a atmosphere of rapid advancement, where development is taking place at high speed, management of personal finance has become an essential life skill. Being able to learn this essential skill from college is important and prepares to face future uncertainties. College students have limited income sources: pocket money or part-time jobs. This restricts them from trying various investment avenues in real life. They highly remain restricted to understanding the concepts without really practically experiencing them. With the advancement of transactions to digital mediums such as UPI spending among students have turned to be more casual and risk of overspending have comparatively increased.

This study aims to understand the level of financial literacy/awareness among the college students about budgeting, saving and investment, the sources of

gaining financial knowledge. In addition some suggestions have also been collected to know how they can increase the practical application of their financial knowledge and what do they expect college/institutions.

II. METHODOLOGY

A descriptive research design was adopted. Data Was collected from 50 students from various domains such as management, engineering, law, psychology using a structured Google form. The form comprised of 21 questions classified into 6 sections: demographics, budgeting habits, Saving behavior, Investment awareness, Financial knowledge & sources, Suggestions. The data was analyzed using MS excel and pie charts.

Research Objectives

- To study the level of financial literacy among college students
- To analyse the habits of savings, budgeting and investment among the college students.
- To study about the spending habits among the college students.
- To give suggestions on improving financial literacy among youth.

Ethical Consideration

- Anonymous Responses: No names, emails or identity cards were collected.
- Academic Use only: Data collected is only used for academic purpose.

Limitation

The study is primarily limited to college going students' majority in age bracket of 18-22.

III. LITERATURE REVIEW

2026

- Recent research shows that college students have growing interest in financial education but lack advanced knowledge, especially in investments and debt management (CFP Board, 2026).
- Studies highlight that innovative methods like gamification and fintech-based learning tools improve financial understanding and behavior among students (Chen & Zhang, 2026).

2025

- Financial literacy among college students remains moderate, with gaps in both knowledge and financial behavior (Sharma & Verma, 2025).
- The use of digital financial tools (online banking, UPI, fintech apps) has increased, but awareness of risks such as fraud and overspending is still limited (Gupta & Singh, 2025).
- Interactive and visual learning approaches are found to enhance financial literacy more effectively than traditional methods (Lee, Park, & Kim, 2025).

2024

- Lack of structured financial education in college curricula is a major reason for low financial literacy among students (OECD, 2020; Lusardi, 2019).
- Gender-based studies show that male students exhibit higher financial confidence, while female students are more cautious and risk-aware, though the gap is reducing (Bucher-Koenen et al., 2017).
- Socio-economic background significantly influences exposure to financial knowledge and decision-making ability (Klapper et al., 2015).

2023

- Students generally have basic knowledge of saving and budgeting but lack understanding of investments and credit management (Lusardi et al., 2010).

- Family and peer influence plays a major role in shaping financial behavior (Shim et al., 2009).
- Students from lower-income backgrounds often show better saving discipline despite limited financial knowledge (Xiao & O'Neill, 2016).

Theoretical Framework Supporting the study

1. Financial Literacy Theory

- Theory focuses on better financial decisions could be taken by an individual having better knowledge of financial concepts.
- A student who understands interest rates is more likely to save money

2. Behavioural Finance Theory

- It explains that people don't always make rational and logical decisions.
- There are certain factors like emotions, biases such as overconfidence, impulsive spending habits which influence the way they manage money.

3. Life Cycle Hypothesis

- The strategy followed by individuals to manage money depends on their life stage.
- College students --- early stage – limited pocket money/ side income – less saving/ investment activities.

4. Social Learning Theory

- People learn by seeing others.
- Students learn from parents, friends, social media, books.

IV. DATA ANALYSIS & INTERPRETATION

a. *Budgeting Habits*

36% prepare budgets regularly while 44% do it irregularly.

68% of respondents always track expenses.

A majority of respondents plan expenses before spending.

b. *Saving Behavior*

58% of respondents always save a part of their income. Majority of the respondents prefer traditional and formal saving methods such as bank.

Emergency needs are the primary reason for saving money among students.

c. *Investment Awareness*

Findings reveal that there is a high level of Awareness among the college students about the investment avenues such as stock and mutual funds.

Despite being so aware about the avenues a major portion do not invest in any.

56% of respondents understand the concepts of risk and return very well.

d. *Financial Knowledge & Sources*

46% of respondents rely on parents/family to get financial knowledge.

40% depend on internet/social media.

38% of respondents feel that college fail to provide financial education.

e. *Suggestion*

Focus on practical financial learning rather than just theory.

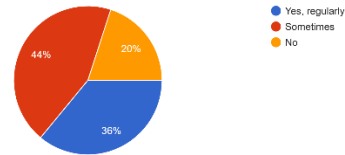
Introduce financial education early in the curriculum.

Use digital tools and social media for better engagement

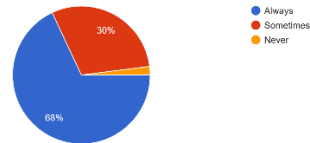
. *Infographic:*

(i) *Budgeting Habits*

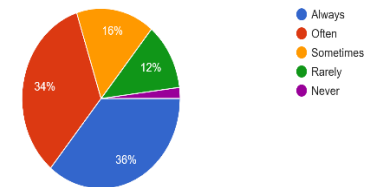
Do you prepare a personal budget?
50 responses



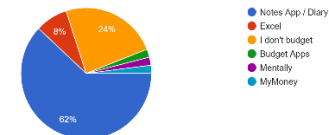
Do you track your expenses?
50 responses



Do you plan your expenses before spending?
50 responses

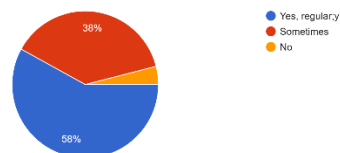


Which tool do you use for budgeting?
50 responses

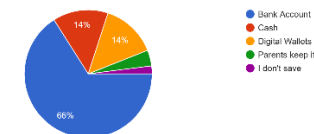


(ii) *Saving Behavior:*

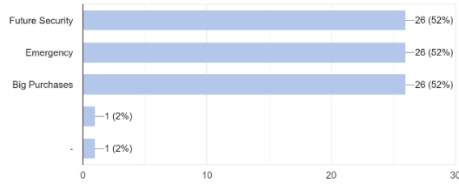
Do you save a part of your income/pocket money?
50 responses



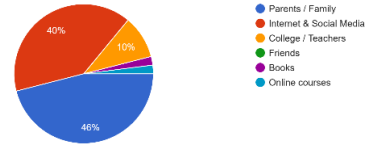
Where do you mostly keep your savings?
50 responses



Main reasons for saving money
 50 responses

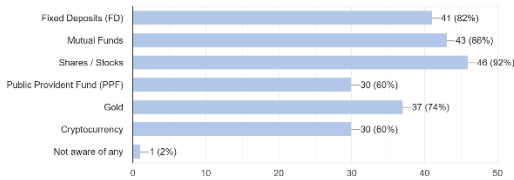


What is your main source of financial knowledge?
 50 responses

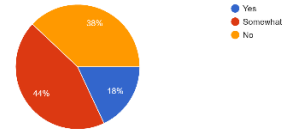


(iii) *Investment Awareness*

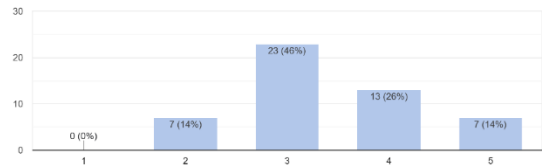
Which of the following investment options have you heard about?
 50 responses



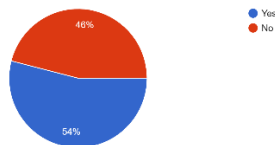
Do you feel your college provides enough financial education?
 50 responses



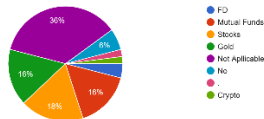
Rate your overall financial knowledge:
 50 responses



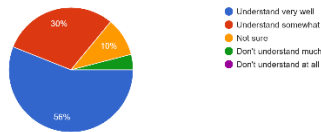
Have you ever invested in any option?
 50 responses



If yes, in which option?
 50 responses

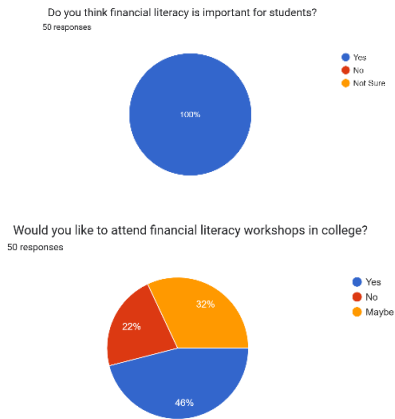


Do you understand the basic concept of risk and return in investments?
 50 responses



(iv) *Financial Knowledge & Sources*

(v) Attitudes & Suggestions



Remarks by respondents:

Any suggestion to improve financial literacy among students? 50 responses
Over the years, the knowledge on financial literacy students have been exposed to has only been theoretical with less practical involvement and without practical implementation I don't think financial literacy holds value. I would suggest learning implementation of learning of financial knowledge through workshops and bootcamps.
Techniques of education should be modern and should include AI tools for savings
No remarks
save, invest and earn from part time as a student
Financial information provide the students for knowing the better use of money investment & save for future or emergency need .
Including various different course to give practical knowledge
Track your Expenses

Any suggestion to improve financial literacy among students? 50 responses
We can work in coordination with social media to aware financial literacy among students, because more than 90% students use social media sites on regular basis. We can make a base to improve financial literacy by combining these two.
Explore financial content on social media, it is more interesting and fun way to learn
-
More practical aspects must be taught in schools and colleges, rather than just academic theory. Also, workshops and seminars every now and then with industry leaders will also expose students to the real world finance and help them be better aware of the financial decisions they make.
It should be taught on daily basis through real life examples in schools and colleges
There should be more sessions conducted for increasing awareness. Moreover, students should be encourage to apply the concepts in real life to become financially strong.
No.

V. CONCLUSION

The study concludes that college students show a moderate level of financial awareness. This can be seen from the data that students collect most of the financial knowledge from family, internet rather than academics. Investment awareness is high but actual execution of knowledge is comparatively low.

There is a need for stronger financial education in colleges. Focus should be given on providing practical applications of learning provided. Initiatives should be taken to bridge the gap in learning and practical applicability such as: curriculum integration, peer learning, internships, financial clubs.

VI. RECOMMENDATIONS

- Include practical applications of financial courses and ensure deep level understanding among the students.
- Encourage students for active participation in internships/live projects where they will be able to learn more effectively.
- Increase awareness on positive use of social media to gain financial knowledge through apps, social media.
- Teachers and faculties must encourage student participation in busgeting, saving when organizing college events.
- Confidence should be built among the students to take informed decisions.
- Peer learning: Seniors sharing there real life experiences with juniors helping them to learn and grow.

VII. ACKNOWLEDGEMENT

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