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STUDY ON COLLEGE STUDENT FINANCIAL LITERACY SURVEY

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Abstract

Financial literacy is the ability to make informed judgement and to take effective decision regarding investment, money management and how we use money. Poor level of financial awareness leads taking individual wrong decisions in terms of investment and finance. To achieve the financial objective every individual must invest his/her savings in right investment alternatives. Knowledge on money management, saving, investment and credit has been considered to compute the financial literacy level. The purpose of this study is to help students to learn about financial literacy and to take right decision. Most of the student knows about how to use electronic gadget to make online transaction. The data is collected through survey. In this study the sample response received were from 50 students. The results were analysed based on their knowledge. From the study we got to know every student's perspective about financial knowledge they have.

Keywords: investment, money management, electronic gadget, financial knowledge

INTRODUCTION:

” Financial literacy means the education of various financial areas and understanding of those areas including topics related to managing their personal finance, money management and decisions/actions related to investing.” The students should need proper plans for long-term investments for their future aspects of emergency needs. And on the other hand, students should gain strong financial literacy about managing personal finance to take decision on investment when they will start to earn.

In these days, the young generation especially the college students are not aware about

financial literacy and thus they are lacking to make effective decisions. The students love to spend money they don't want to invest or save by themselves. Keeping the future in mind, the students need to develop the habit of saving and investing their money in various financial areas and they can easily grab the knowledge about finance.

According to the organization for economic cooperation and development (OECD) defines financial literacy, "As a combination of financial awareness, knowledge, skills, attitude, and behaviour necessary to make sound financial decision and ultimately to achieve the individual well-being in finance".

OBJECTIVES OF STUDENT FINANCIAL LITERACY:

1. To know the level of financial knowledge of the students.
2. To understand the relationship between financial knowledge & student.
3. To observe the money, investment skills and financial knowledge possessed by Students.
4. To know the source of income & expenditure pattern of students.
5. To give some suggestion for improvement of their financial knowledge.

REVIEW OF LITERATURE:

According to Huston (2010), financial literacy such as health or general literacy might be developed with two main aspects: first is to understand personal Finance information and using it. As a consequence, it could be defined as "estimating how well an individual can acknowledge and use personal Finance- associated information". It is also added that this explanation is logical not only with other literacy abstraction but also with definitions in the remaining financial literature. On the other hand, it would be better to reward some prior research. Even though the absence of accurate or explicit definition, few authors have identified this concept with its prime view.

IMPORTANCE OF STUDENT FINANCIAL LITERACY:

Financial literacy will help students to become independent and self-sufficient to take their own decisions. How to budget the capital on their own and to gain the basic knowledge of investment options and financial markets and understanding their money mitigates the danger of facing the of fraud like situation. The basic knowledge of financial literacy will help students with foreseeing the risk justify or argue with anyone learnt and well-informed. If they encounter any emergency moments when they will need cash or a huge number of money to survive in the in times like this is being financially independent or literate will save them. The trouble of borrowing money that will just bring us more problems.

RESEARCH DESIGN:

Data – The present data is based on primary data and secondary data. Data required for the study is obtained from both primary and secondary sources. Primary data collected through

questionnaire. Secondary data was collected from published and unpublished sources.

Includes reference books, and websites etc.

Tools and Techniques –

Survey is taken through google form.

Sample size- 50 students. Total

Survey question- 20.

To measure a percentage the formula of trend percentage is used.

ANALYTICAL REPRESENTATION OF SUDENT FINANCIAL LITERACY

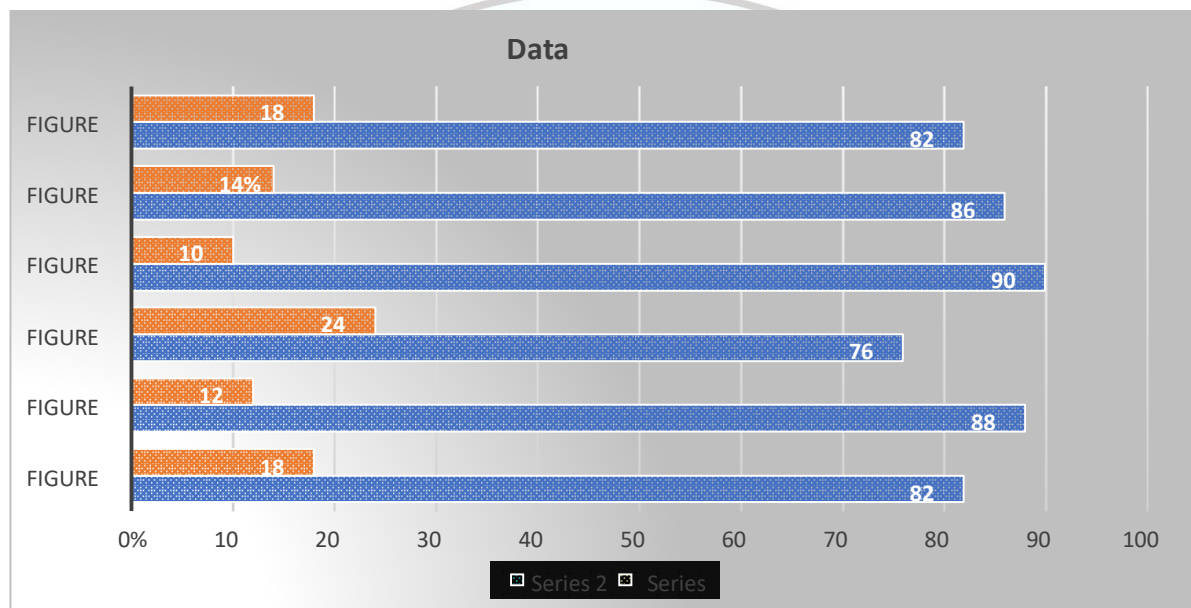


Figure 1	The figure is related to financial literacy
Figure 2	The figure is related to bank account
Figure 3	The figure is related to payment method
Figure 4	The figure is related to safety while using electronic payment
Figure 5	The figure is related to tracking of balance
Figure 6	The figure is related to own money matters

In the figure 1- 82% students know about financial literacy. 18% student don't know about financial literacy. From this data we can interpret that 82% student are known about financial literacy which will helps them for proper utilization of their funds. Remaining 18% students are now aware about financial literacy. Which will cause for their utilization of funds.

In the figure 2- 88% students own a bank account which will help them to save their funds. 12% student don't own bank account which indicates them needs to be dependent on others. From this data we can interpret that 88% students know about saving, transaction and how it works. But

12% students don't have bank account this will trigger them in future. So, we can say many people needs to learn about opening of bank account.

In the figure 3- 76% students use device gadget while paying expenses. 24% students don't use any gadget or device while paying expenses. From this data we can interpret that majority of students do use and its very good thing actually. Remaining 24 students needs to learn about gadget payments.

In the figure 4- 90% of students ensure safety of sensitive information while making payment. Remaining 10% students are negligent towards ensuring safety of their transaction which is dangerous and cause for loss of data and money. With the help of above table and chart we can ensure a large block of students are aware about safety.

In the figure 5- 86% students keep track on their balance. Which will help them to plan their expenses and balance & how to do savings and spending. 14% student don't track their balance. It may cause for loss of balance amount

In the figure 6- 82% student responsible for their own money matters. And 18% students not responsible. From the data we can interpret that student taking responsibility on their own that's very great, because it will gain the, confidence and maturity. Other 18% student have to take the responsibility as they are young enough to take responsibility on their own.

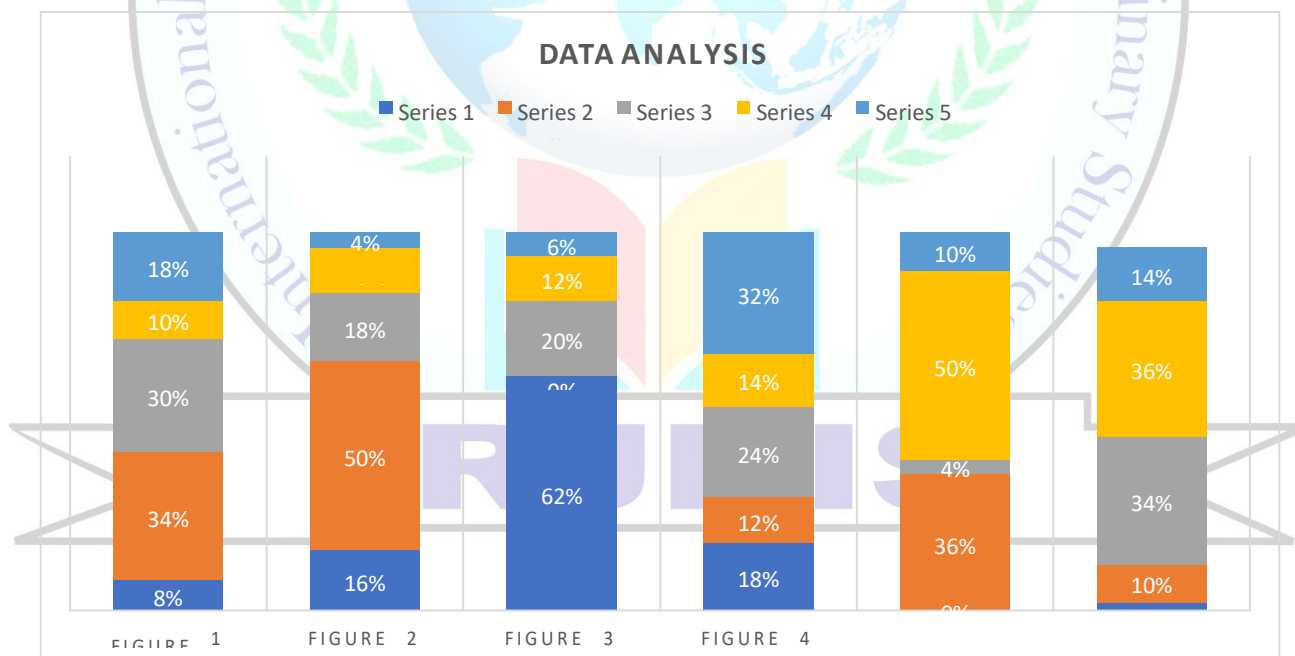


Figure 1	The figure is related to usage of debit card
Figure 2	The figure is related to pocket money
Figure 3	The figure is related to start-up (own business)
Figure 4	The figure is related to loan
Figure 5	The figure is related to important factor while approval of loan
Figure 6	The figure is related to knowledge about finance

In the figure 1- 34% students use debit card weekly. 30% student use monthly. 18% students never use debit card. 10% students use once a year. 8% student use debit card daily. From this data we can interpret that most of student use debit card. But they don't use frequently more. And if 18% students start using debit card it will become easier for them to do transaction and get some discounts as they sometimes give us discount if we paid expenses with debit card.

In the figure 2- 50% students get pocket money between 500-2,000. 18% students get between 2,000-5,000. 16% students get less than 500. 12% students get between 5,000- 10,000. And only 4% students get more than 10,000. From this data we can interpret that most of students get pocket money as per their requirement as a student. And some students get more pocket money.

In the figure- 3 62% students want to run their business in future. 20% students not sure about running a business. 12% students planning to join a company. 6% students selected none of these options. And 0% students they don't want to run a business in future. From this data we can interpret that most of students wants to run their own business in future and that's very appreciable. Some students not sure about running a business and some students want to join a company.

In the figure- 4 24% students know that they will become responsible for repaying the loan if the friend defaults. 18% students selected they will become eligible to receive part of the loan principle. 14% students selected they will be in a better position to get a personal loan. 12% students selected they vouch for the friend's reliability but have no legal obligation for the loan. And lastly and most of 32% students selected none of these options. From this data we can interpret that most of student don't know about if they co-sign a loan for a friend then what will happen. But some students do know that and that is very good

In the figure 5- 50% students know that bill paying record and income is one of the most important factors for taking loan. And that's very correct answer. 36% students selected for education and occupation is important factors. 10% students selected for none of these factors. 4% students selected for age and gender is important factor and lastly none of the student selected for marital status and number of children is important factor. From this data we can interpret that most of students know what is most important factor that lender use when deciding whether to approve loan. And some students don't know.

In the figure 6- 14% students have higher knowledge than other students. 36% students gave themselves 4 grade we can say that they also have good knowledge about personal finance. 34% students have an average knowledge about finance. 10% students have poor knowledge of finance and lastly only 2% student doesn't have enough knowledge about finance. From this data we can interpret that most of the students have more knowledge about finance. And some students still need to have more knowledge about finance.

THE OVERALL STUDY AND RECOMMENDATION:

Financial Literacy has always been important among college students, as it is used on daily basis by almost every student for day-to-day transactions and keep a track of their expenses. There've been many obstacles regarding financial problems that previous generation haven't experienced before, one of which is, the education costs today are very high compared to the income a normal person receives monthly. The Federal, State and Local Governments have taken a huge step in increasing financial literacy among youth by adding resources and programs that will help many college students to gain financial literacy along with other organizations who have recognized the importance of financial literacy in lives of today's youth. Taking these steps at an early stage will help students to get more confident for their financial future. These may result in higher incomes, lower debts, increased savings and many such positively encouraged terms, helping them to remain more financially stable.

Financial literacy is decreasing among young people at a time when it's more important than ever. As a college student, now is the time to increase the knowledge of financial skills and concepts by taking advantage of government resources and schemes which have been made available by the government and various organizations for the college students. These programs help to gain financial knowledge with the right training methods which are very effective in future. The Reserve Bank of India has announced many such guidelines for the people who might need the attention of financial literacy. College might seem an early time to seek out financials professionals but it might be very helpful in future as they help us to understand and make us see the risks and profits available in the market for long term or short-term financial goals. There are also many colleges which have free finance courses for the students to gain knowledge and information about financial literacy. If there are no courses or programs available through your college there are always online courses available on internet which u can enrol in through the help of a computer, laptop or even mobiles in recent times.

CONCLUSION:

This research paper concludes that the financial literacy among the college students is not up to the mark. Surveys have shown that the financial literacy level of college students in India is quite low especially among youngsters who are struggling with their basic financial knowledge. To achieve financial objectives there should be more focus on certain programs as stated in this study. A lot needs to be done through colleges to make a greater impact on enhancing the financial literacy of students. This study is suggested to encourage youths to gain financial knowledge and be confident to make financial decisions in future period.

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