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Financial Literacy among Women in Higher Educational Institutions across Uttar Pradesh in India

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Abstract
Globally women consistently lag behind men in financial literacy and in India the situation is accentuated further by lower literacy rates among women as compared to world.Despite extensive research, a significant research gap persists concerning financial literacy among educated women in India. This study tries to analyse the financial literacy among working women employed in higher educational institutions across Uttar Pradesh in India along with an exploration of the role of demography in determining the financial literacy. Financial literacy is measured using the OECD/INFE (2020) Financial Literacy Measurement Toolkit with three key dimensions of financial literacy –knowledge, behaviour and attitude. Primary data is collected through a structured questionnaire from 350 women employed in higher educational institutions across Uttar Pradesh in India. Analysis is performed using the method mentioned in OECD/INFE (2020) while role of demography is assessed through employing t-test or ANOVA as applicable. The study reveals that financial literacy stood at 68.86% while the three dimensionsstood at 60.29%, 79.67% and 61.4% which is interpreted as average, high and average respectively. The results of inferential analysis shows that the effect of age, income, designation (proxy for experience), marital and family status was significant, however the effect of education and department was found to be insignificant. The study highlights financial literacy as a dynamic, demography-dependent construct shaped by knowledge, attitude, behavior. The study has practical implications for educators, financial institutions, and personal finance initiatives.
Keywords: Financial Literacy, Financial Knowledge/Attitude/Behavior, Higher Educational Institutes.

1. Introduction

Financial literacy (FL) has emerged as a one of the main factors affecting economic stability, not only for individuals but also for national economic resilience. In the contemporary world, where complex financial instruments and personal responsibility for financial security are increasing, possessing adequate FL is vital for effective personal finance management, savings, and investment decisions (Lusardi, 2019). Globally, however, a persistent gendergap exists, with numerous studies indicating that women often exhibit lower financial knowledge, self-confidence, and participation in formal investment markets compared to men. This disparity is particularly concerning given women's increasing life expectancy and professional participation, underscoring the urgency for targeted financial empowerment strategies. The scenario in India reflects similar trends. While there has been a significant rise in the number of financially independent and highly educated women, their financial well-being remains susceptible to knowledge and behavioral gaps. Studies on the working young in urban India suggest that while this cohort shows superior financial behavior, they often demonstrate inferior financial knowledge and attitude, requiring gender-specific interventions—such as improving attitude for men and enhancing behavior for women. Furthermore, the Indian family structure plays a defining role; factors like joint family living and consultative decision-making significantly influence a woman's financial outcomes, highlighting the need to view financial literacy not just as an individual skill but as a family dynamic (Agarwal et al., 2013). Despite this established context, a significant research gap persists concerning highly professional, educated women within specific regional demographics. Few studies have focused exclusively on the distinct financial literacy levels of working women employed in Higher Educational Institutions (HEIs), who represent a stable, yet often financially risk-averse, group. More specifically, there is a distinct lack of focused, up-to-date analysis within Uttar Pradesh (UP), India, a region where local socio-cultural factors may heavily influence financial decision-making among women. Understanding this specific group's proficiency and the impact of their demographic profile is crucial for creating effective, localized policy and educational interventions.To bridge this gap, this study proposes an in-depth analysis of financial literacy among women in this key demographic. Accordingly, the research is guided by the following objectives:

I. To determine the level of financial literacy among the working women employed in higher educational institutions across Uttar Pradesh in India.
II. To explore the role of demography (age, education, income, designation, department, marital status and family status) in determining the financial literacy.

2. Review of Literature

Al-Tamimi, & Kalli (2009) demonstrated a gender gap in financial literacy among investors in the UAE, finding that women exhibited lower literacy levels compared to men. The study noted that an individual's financial literacy is directly linked to their education level, income, and working condition, which are key demographic variables.

Nga, Lim, & Sellapan (2010) investigated young adults and concluded that educational specialization, particularly in finance and accounting, positively influences general financial awareness. Critically, the research explicitly observed that men demonstrated a higher level of financial awareness than women.

Hung, Yoong, & Brown (2012) highlighted that while women often manage daily household expenses well, they tend to face challenges with broader financial matters like planning, investment decisions, and product selection. They suggested that the gender difference in literacy often stems from less exposure to complex financial products due to social barriers.

Chung & Park (2014) confirmed a positive correlation between financial education and students' financial literacy. To enhance outcomes, the study recommended increasing interactive, practical sessions with faculty to provide students with hands-on financial exposure.

Huzdik, Beres, & Nemeth (2014) investigated higher education students and discovered that even with a strong knowledge base in finance and economics, students generally displayed risk-averse financial behavior.

Bucher-Koenen& Lusardi(2014) identified a persistent and widespread financial literacy gender gap across multiple countries, noting that financial illiteracy is particularly common among women. The authors recommended that policymakers develop distinct financial education programs for men and women to address the fundamental causes of this gap.

Lusardi, Mitchell, & Curto (2014) found that women, even in the older population, are particularly prone to scoring poorly due to a lack of financial knowledge compared to other demographic subgroups.

Mohamad, Sabri, & Othman (2015) argued that improving financial literacy for women requires more than just informational programs; it necessitates the practical application of financial management practices through education and workshops.

Agarwalla et al. (2015) found that working young in urban India exhibit a mixed financial profile, characterized by inferior financial knowledge and attitude but superior financial behavior compared to international peers. While both genders require intervention to enhance general financial knowledge, tailored efforts are needed to improve the financial attitude of men and the financial behavior of women. The study also emphasizes the crucial role of the Indian family environment: residing in a joint family negatively impacts financial literacy, while practicing consultative decision-making is beneficial. Therefore, to effectively improve family financial decision-making, financial literacy programs must involve family members.

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Potrich, Mendes-Da-Silva, & Kirch (2015) found that financial literacy levels were low among women who had dependent family members and who possessed lower levels of education and income, underscoring the influence of these demographic factors.

Garg & Singh (2016) confirmed the global trend of a financial literacy gender gap, noting male dominance in financial knowledge is common. They also suggested that an improved level of general education can enhance overall financial literacy and awareness among the young population.

Te'eni-Harari (2016) highlighted the significant role of parental and peer financial socialization, noting that a student's intention to save and their financial attitudes are influenced by the positive financial habits of their parents or peers.

Boisclair, Lusardi, &Michaud (2017) identified that financial literacy levels are generally low among young people and women, especially those with a low educational status, and observed that this knowledge gap widens as educational attainment decreases.

Jana, Sinha, & Gupta (2017) confirmed a gender disparity in financial knowledge, stating that male respondents are significantly more familiar with financial terms than female respondents.

Naidu (2017) noted that women continue to lag significantly behind men in financial literacy in the Indian economy and highlighted the vulnerability of the younger population who often lack fundamental financial knowledge.

Singh & Kumar (2017) argued that despite advancements in employment, women globally consistently lag behind men in financial literacy and decision-making, often remaining dependent on male family members. This underscores the need for genuine financial empowerment among women.

Aydin (2018) investigated college students and concluded that those with higher financial literacy scores exhibited superior financial attitudes and behavior compared to their peers with low literacy.

Vimala & Alamelu (2018) found a positive correlation between financial literacy and a woman's education level. Their analysis showed a demographic difference where the 18–21 age group demonstrated a distinct lack of financial knowledge and saving interest.

Bharucha (2019) confirmed the trend that women lag behind men in financial literacy matters among Indian youth. The study also established that education, employment, and high-income status are all positively correlated with financial literacy.

Harris & Sholevar(2019) reaffirmed that women exhibit lower financial literacy than men. The study identified cultural barriers, gender disparity, and education as key hurdles, suggesting that improving women's financial knowledge will positively enhance their decision-making and financial behavior.

Lusardi (2019) highlighted a widespread lack of financial confidence, particularly among women and young people, during financial decision-making. The study also noted that men often exhibit overconfidence, while women typically demonstrate a knowledge deficit.

Raj (2020) examined financial literacy and capability and potential contributors to economic empowerment among women in rural India. The study inferred that a decentralized approach is necessary, advocating for creating local finance instructors and providing door-to-door education to enhance the financial capability of underserved women and their children.

Utkarsh et al. (2020) assess financial well-being of younf adults in India and found that financial discussion with parents during childhood positively influences young adults' FWB. Crucially, the study showed that the relationship between financial literacy and FWB is not significant, but that attitude towards money is a strong predictor of FWB.

Goyal & Kumar (2021) conducted a systematic review and identified three major themes: levels of financial literacy across cohorts, influence on financial planning/behavior, and impact of financial education. Emerging themes include financial capability, financial inclusion, and the gender gap. The study helps policymakers and researchers understand the field's structure and identify research gaps.

Mishra et al. (2021). identify factors influencing financial literacy and inclusion and found that literacy was influenced by education level, bank/insurance awareness, and household income. Inclusion was influenced by product knowledge, risk level, insurance schemes, and bank availability.

Pandey, Kiran & Sharma (2022) highlight that usage, digitalization, and FinTech are significant drivers of financial inclusion, and that financial literacy mediates the relationship, which is indicative of its importance in accentuating the drivers' impact on sustainable growth, especially concerning poverty alleviation and gender equality.

Lusardi & Messy (2023) confirms that financial literacy is low and often inadequate for modern financial decisions, particularly among vulnerable groups. It emphasizes that financial literacy matters because it helps people make savvy financial decisions, promotes the use of basic financial instruments (like bank accounts), and ultimately improves financial well-being.

Kalambe (2024) explores the level of financial literacy and its impact on investment behavior among working women in higher education in India. The study found that while awareness of financial instruments is growing, significant knowledge gaps persist. Investment behavior is influenced by factors like educational background, perceived risk, and access to financial resources. The findings emphasize the need for tailored financial education programs for women in academia.

Mishra et al. (2024)examined the relationship between digital financial literacy, financial attitude, and financial decision-making. Findings showed that digital financial literacy, financial attitude, subjective norms, perceived behavioral control, and financial accessibility all significantly and positively influence decision making, which, in turn, has a robust effect on investment intention.

Tabassum (2025) analyzed the relationship between financial knowledge and investment behavior. Findings showed women have moderate knowledge, with gaps in advanced tools[2]. A significant positive correlation exists between knowledge and investment behavior and risk preference also significantly predicts investment activity. The study emphasizes the importance of economic education to improve women's investment outcomes.

The literature confirms a persistent gender gap in financial literacy globally, despite women's increasing educational attainment. However, a significant research void exists regarding the specific financial knowledge and confidence levels of working women employed in Higher Educational Institutions (HEIs). Crucially, there is a distinct lack of studies focused on this influential demographic in geographically and socio-culturally specific regions like Uttar Pradesh (UP), India. This gap hinders the design of effective, targeted financial education programs. This study tries fulfil this gap and accordingly the main proposition of this study is that the financial literacy among the working women employed in higher educational institutions is not adequate. While the main hypothesis regarding the impact of demographic analysis is:

- H1: there is no effect of demography on the financial literacy among the working women.

Since we have six demographic variables the six hypotheses are:

- H1.1: there is no effect of age on the financial literacy of the working women.
- H1.2: there is no effect of education on their financial literacy of the working women.
- H1.3: there is no effect of income on their financial literacy of the working.
- H1.4: there is no effect of designation on their financial literacy of the working women.
- H1.5: there is no effect of department on their financial literacy of the working women.
- H1.6: there is no effect of marital status on their financial literacy of the working women.
- H1.7: there is no effect of family status on their financial literacy of the working women.

3. Methodology

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3.1 Financial Literacy Measurement: Financial literacy (FL) in the present study was assessed using the OECD/INFE (2020)Financial Literacy and Financial Inclusion Measurement Toolkit. The instrument captures three key dimensions of financial literacy – financial knowledge, financial behaviour and financial attitude, each reflecting distinct yet complementary aspects of financial capability (OECD, 2020).

Financial Knowledgedimension assesses respondents' understanding of basic financial knowledge assessed through eightaspects of division/numeracy, time value of money, interest paid on loan, understanding simple interest, understanding compound interest, risk and return, and risk diversification. The seven items, each scored on two categories, 0 for incorrect and 1 for correct responses, yielding a total possible score ranging from 0 to 7. Higher scores indicate greater financial knowledge.Financial Behaviourmeasures the extent to which individuals engage in prudent financial practices and is observed through nine aspects – budgeting activities, active savings, financial shortfall, making end meet, product shopping behavior, keeping watch on finances, setting long-term goals, and paying bills on time. Each of the nine items is scored 0 if answer is no and the score is 1 if answer is yes resulting in a total score range of 0 to 9. Higher scores signify more prudent and proactive financial behaviour. Financial Attitudecaptures attitudes toward long-term financial planning, saving orientation, and future financial security. It comprises three items measured on a five-point Likert scale ranging from 1 to 5 where 1 means completely disagree with the statement and 5 means completely disagree. The mean of these items represents the attitude score with mean ranging from 1 to 5, with higher values indicating a more positive attitude towards long-term financial orientation.In line with the OECD/INFE methodology, the overall financial literacy score was derived by combining the three dimensions after appropriate normalization. The scale has been widely used and validated across countries for assessing population-level financial literacy (OECD, 2020). To reflect the contemporary Indian context, item wording and examples were slightly adapted to improve contextual relevance for working women employed in higher educational institutions.

3.2 Data Collection and Sampling: Primary data was collected through a structured questionnaire to determine the financial literacy among the women employed in higher educational institutions across Uttar Pradesh in India. The purposive and convenience sampling technique was employed focussing women working in academics. The selection of this group was intentional, as women in academia represent an educated and financially active segment whose literacy levels can provide meaningful insights into the broader state of women's financial awareness in India.The structured questionnaire consists of two sections – demographic and financial literacy aspects as discussed above. The demographic section recorded age, educational qualifications, income, professional designation or experience, marital status, domicile status and department. The questionnaire was administered to the target respondents either personally or in online mode through Google scholar. The researcher received 500+ responses, however. only 350 responses were complete and deemed adequate for conducting statistical analyses.

Table 1 presents the demographic characteristics of the respondents. A majority of the participants were in the age group of 36–50 years (41.4%), followed by 22–35 years (36.9%) and those above 50 years (21.7%). In terms of educational attainment, 43.1% of respondents held postgraduate (PG) degrees, 36.3% were undergraduates (UG), and 20.6% had earned doctoral qualifications (Ph.D.). With respect to professional hierarchy, Assistant Professors formed the largest segment (46.9%), followed by Associate Professors (30.6%) and Professors (22.6%).Regarding income distribution, 41.7% of respondents reported monthly earnings between INR 40,000–59,999, 32.3% earned INR 20,000–39,999, and 26% belonged to the higher income category of INR 60,000 and above. A significant majority of respondents were unmarried (66.9%), while 33.1% were married. In terms of family structure, 76.6% belonged to nuclear families and 23.4% lived in joint families.Discipline-wise, 42.6% of respondents were from Commerce and Management, 36.9% from Science and Engineering, and 20.6% from Arts. This composition reflects a well-balanced representation across major academic streams and institutional roles, making the sample appropriate for analyzing variations in financial literacy levels among working women in academia

4. Data Analysis: This study has two main objectives of assessing the financial literacy among working women employed in higher educational institutions across Uttar Pradesh, India and exploration of the role of demography in determining the financial literacy among working women. The financial literacy is assessed through the three dimensions of literacy. Table 1 shows the three dimensions with respect to its various aspects. It may be observed from the table that the overall financial knowledge among respondents stood at 60.29%, which means that three out of five participants possessed adequate financial knowledge. Among the seven aspects examined, understanding simple interest exhibited the highest level of comprehension at 62.57%, followed closely by division/numeracy and time value of money, both at 61.71%. Knowledge regarding interest paid on loans was demonstrated by 60.29% of respondents.Interestingly, understanding of compound interest was somewhat lower at 59.71% when compared to simple interest. Risk-related concepts appeared to be less well understood, with risk and return comprehended by 58.86% of respondents, while risk diversification recorded the lowest performance at 57.14%. Notably, the range of financial knowledge across all aspects remained relatively narrow, spanning between 57.14% and 62.57%, which represents only a 5.43 percentage point differential. The overall positive financial behavior was observed at 79.71%, considerably exceeding the overall financial knowledge level which means that almost four out of five participants have positive financial behavior. Among the nine behavioral dimensions explored, making ends meet exhibited the highest positive behavior at 84.29%, followed by budgeting activities at 80.57% and setting long-term goals at 80.00%.

Table 1: Financial Literacy Dimensions

Financial Literacy Dimensions							
A	**Financial Knowledge Aspects**	**Correct Answer**		**B**	**Financial Behavior Aspects**	**Correct Answer**	
	(Correct Answer means having aspect knowledge)	**No.**	**%**		***(Correct Answer means showing Positive Behavior)***	**No.**	**%**
1	Division / Numeracy	216	61.71	1	Financial Decision-Making	274	78.29
2	Time value of Money	216	61.71	2	Budgeting Activities	282	80.57
3	Interest paid on loan	211	60.29	3	Active Savings	277	79.14
4	Understanding Simple Interest	219	62.57	4	Financial Shortfall	275	78.57
5	Understanding Compound Interest	209	59.71	5	Making End Meet	295	84.29
6	Risk and return	206	58.86	6	Product Shopping Behavior	275	78.57
7	Risk Diversification	200	57.14	7	Keeping Watch on Finances	277	79.14
Overall Financial Knowledge		211	60.29	8	Setting Long-Term Goals	280	80.00
				9	Paying Bills on Time	276	78.86
C	**Financial Attitude Statements**	**Positive Attitude**		*Overall positive Financial Behavior*		279	79.71
	(Respondent having a score of 3 or more shows *Positive Attitude)*	**No.**	**%**				
1	I find it more satisfying to spend money than to save it for the long term	264	75.43				
2	Money is there to be spent	255	72.86				
3	I tend to live for today and let tomorrow take care of itself	269	76.86				
Overall Positive Financial Attitude		262.7	75.05				

Both keeping watch on finances and active savings recorded 79.14%, while financial shortfall management and product shopping behavior each stood at 78.57%. Paying bills on time was practiced by 78.86% of respondents, whereas financial decision-making showed the lowest percentage at 78.29%. Despite these variations, all financial behavior aspects surpassed 78%, reflecting consistently high positive behavior across all dimensions with a modest range of merely 6 percentage points between the highest and lowest aspects.

The overall positive financial attitude among respondents was recorded at 75.05%, positioning it between financial knowledge and financial behavior levels. Of the three attitude statements assessed, "I tend to live for today and let tomorrow take care of itself" revealed the highest

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positive attitude at 76.86%, followed by "I find it more satisfying to spend money than to save it for the long term" at 75.43%. The statement "Money is there to be spent" yielded the lowest positive attitude at 72.86%. It is worth noting that all three attitude statements demonstrated positive attitudes exceeding 72%, indicating a narrow variation of only 4 percentage points across all measured aspects.

Table 2:Financial Literacy DimensionsScore Interpretation

	Financial Knowledge (FK)	Financial Behavior (FB)	Financial Attitude (FA)	Overall Financial Literacy (FL)
Possible Scores	(0–7)	(0–9)	(0–5)	(0–21)
Score Interpretation (in actual & %)	0–<3 (0–42.85%) – *Poor*	0–<4 (0–44.44%) – *Indifferent*	0–<2 (0–40%) – *Indifferent*	0–<9 (0–42.85%) – *Poor*
	FK3–<6 (42.86–85.71%) – Average	FB4–<7 (44.45–77.77%) – Average	FA2–<3 (40–60%) – Average	FL9–<15 (42.86–71.43%) – Average
	FK6 or more (≥85.72%) – High FK	FB7 or more (≥77.78%) – Positive FB	FA3 or more (≥60%) – Positive FA	FL15 or more (≥71.44%) – High FL
Obtained Scores	**4.22 / 7**	**7.17 / 9**	**3.07 / 5**	**14.46 / 21**
FL in % of Total	**60.29%**	**79.67%**	**75.05%**	**68.86%**

A comparative study of the three dimensions revealed that financial behavior achieved the highest score at 79.71%, followed by financial attitude at 75.05%, and financial knowledge at 60.29%. This pattern indicates a substantial gap of approximately 19.42 percentage points between financial behavior and financial knowledge, suggesting that respondents demonstrated superior financial behavior and attitude despite possessing relatively moderate financial knowledge.The progression observed from knowledge to attitude to behavior reveals that respondents are engaging in sound financial practices and maintaining positive attitudes toward finances even when their theoretical grasp of financial concepts remains at a moderate level. This pattern implies that practical financial management capabilities and positive financial mindsets may be developing independently of, or perhaps in advance of, formal financial knowledge acquisition among the study participants.

Table 3: Effect of Demography

Demographic Variable	ANOVA / t-Test						Scheffe's Post-Hoc	
	Categories	Code	n	Mean	F / T	Sig.	Pair	Sig.
Age*	22-35	A	129	13.77	12.36	Reject H1.1	A-B	0.057
	36-50	B	145	14.50	0.000		A-C	0.000
	> 50	C	76	15.50			B-A	0.011
Education*	UG	A	127	14.28	6.34	Fail to Reject H1.2	A-B	NA
	PG	B	151	14.60	0.53		A-C	NA
	PHD	C	72	14.59			B-A	NA
Income*	20-40	A	113	13.27	31.73	Reject H1.3	A-B	0.001
	40-60	B	146	14.45	0.00		A-C	0.000
	> 60	C	91	15.96			B-A	0.000
Designation (Experience)*	Asst. Prof.	A	164	13.54	29.36	Reject H1.4	A-B	0.001
	Assoc. Prof.	B	107	14.70	0.00		A-C	0.000
	Professor	C	79	16.06			B-A	0.001
Department*	Arts	A	72	14.51	0.02	Fail to Reject H1.5	A-B	NA
	Comm./Mgmt.	B	149	14.44	0.98		A-C	NA
	Science/Engg.	C	129	14.65			B-A	NA
Marital Status#	Unmarried	NA	234	15.03	6.06	Reject H1.6	NA	NA
	Married	NA	116	13.32	0.00		NA	NA
Family Status#	Nuclear	NA	268	14.97	7.02	Reject H1.7	NA	NA
	Joint	NA	82	12.80	0.00		NA	NA

*ANOVA, #t-Test

The second objective analyses the role of demography in determining the financial literacy among working women employed in higher educational institutions. This study has identified 5 demographic variables – age, education, income, designation (alibi for experience), marital status and family status and determined the effect of these demographic variables on overall financial literacy. Table 3 shows the results of ANOVA and t-Test. The ANOVA results revealed a statistically significant relationship between age and financial literacy ($F = 12.36$, $p = 0.000$). The mean financial literacy scores increased with age, with the 22-35 age group showing a mean of 13.77, the 36-50 age group demonstrating 14.50, and the above 50 age group exhibiting the highest mean of 15.50. Scheffe's Post-Hoc test indicated significant differences between age groups A-B ($p = 0.057$), A-C ($p = 0.000$), and B-A ($p = 0.011$), confirming that older respondents possessed higher financial literacy levels compared to younger counterparts.The analysis showed no statistically significant relationship between education level and financial literacy ($F = 6.34$, $p = 0.531$). The mean scores across education categories were relatively similar, with undergraduate degree holders recording 14.28, postgraduate degree holders showing 14.60, and PhD holders demonstrating 14.59. The absence of significant differences suggests that higher educational qualifications do not necessarily translate into superior financial literacy among the respondents.

Income demonstrated a highly significant relationship with financial literacy ($F = 31.73$, $p = 0.00$). The mean financial literacy scores increased substantially with income levels, ranging from 13.29 for the 20-40 income group, to 14.45 for the 40-60 income group, and reaching 15.96 for those earning above 60. Scheffe's Post-Hoc test revealed significant differences across all income group pairs: A-B ($p = 0.001$), A-C ($p = 0.000$), and B-A ($p = 0.000$), indicating that higher income levels are strongly associated with greater financial literacy.

Professional designation, which serves as a proxy for experience, showed a statistically significant relationship with financial literacy ($F = 29.36$, $p = 0.00$). Assistant Professors recorded the lowest mean score of 13.54, Associate Professors showed 14.70, while Professors demonstrated the highest mean of 16.06. All Post-Hoc comparisons were significant: A-B ($p = 0.001$), A-C ($p = 0.000$), and B-A ($p = 0.001$), suggesting that professional experience and seniority are positively associated with financial literacy levels.

Department affiliation showed no statistically significant relationship with financial literacy ($F = 0.02$, $p = 0.98$). The mean scores across departments were nearly identical, with Arts faculty recording 14.51, Commerce/Management faculty showing 14.44, and Science/Engineering faculty demonstrating 14.65. This negligible variation indicates that academic discipline does not significantly influence financial literacy among faculty members.The t-test revealed a statistically significant difference in financial literacy based on marital status ($t = 6.06$, $p = 0.00$). Unmarried respondents exhibited a higher mean financial literacy score of 15.03 compared to married respondents who recorded 13.32, representing a substantial difference of 1.71 points. This finding suggests that marital status plays a significant role in determining financial literacy levels.

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Family structure demonstrated a statistically significant relationship with financial literacy ($t = 7.02$, $p = 0.00$). Respondents from nuclear families showed a higher mean score of 14.97, while those from joint families recorded a lower mean of 12.80. This difference of 2.17 points indicates that family structure significantly influences financial literacy, with nuclear family members demonstrating superior financial literacy compared to joint family members.

5. Discussions

The findings of this study provide comprehensive insights into the multidimensional nature of financial literacy and the role of demographic factors in shaping financial knowledge, behavior, and attitudes among respondents. The results reveal several noteworthy patterns that contribute to both theoretical understanding and practical implications for financial literacy enhancement initiatives.

5.1 Financial Literacy Dimensions and Their Interrelationships: The hierarchical pattern observed across the three dimensions of financial literacy—where financial behavior (79.71%) substantially exceeds financial attitude (75.05%), which in turn surpasses financial knowledge (60.29%)challenges conventional assumptions about the linear progression from knowledge acquisition to behavioral change. This 19.42 percentage point gap between knowledge and behavior is quite conspicuous and suggests that the traditional knowledge-attitude-behavior paradigm may not adequately capture the complexity of financial decision-making processes. The moderate level of financial knowledge (60.29%) indicates that while respondents possess foundational literacy in basic financial concepts, significant knowledge deficits persist, particularly in sophisticated areas such as risk diversification (57.14%) and compound interest (59.71%). The relatively stronger comprehension of simple interest (62.57%) compared to compound interest likely reflects the practical relevance and frequency of exposure to linear interest calculations in everyday transactions such as personal loans and short-term savings instruments. However, the limited understanding of compound interest is concerning given its fundamental importance in long-term wealth accumulation, retirement planning, and investment decision-making. This gap may leave individuals vulnerable to suboptimal financial choices, such as underestimating the growth potential of long-term investments or failing to appreciate the true cost of revolving credit facilities. The poor performance in risk-related concepts is particularly alarming from a financial planning perspective. With less than 60% of respondents demonstrating adequate understanding of risk and return relationships, and only 57.14% comprehending risk diversification principles, there exists a substantial vulnerability in participants' capacity to make informed investment decisions. This knowledge deficit may result in either excessive risk aversion—leading to opportunity costs and inadequate wealth accumulation—or conversely, inappropriate risk-taking due to failure to recognize and mitigate potential losses. Given the increasing shift toward defined contribution pension schemes and individual responsibility for retirement planning in many economies, this knowledge gaps represent serious threats to long-term financial security.The substantially higher levels of desirable financial behavior (79.71%) relative to knowledge present both encouraging and concerning implications. On the positive side, the strong performance in practical money management skills such as making ends meet (84.29%), budgeting (80.57%), and paying bills on time (78.86%) demonstrates that respondents have developed functional competencies that enable day-to-day financial stability. These behaviors may have been cultivated through repeated practice, parental modeling, cultural norms emphasizing financial prudence, or simply through trial-and-error learning in managing limited resources. The consistency of high behavioral scores across all nine measured aspects suggests the presence of an underlying disposition toward financial responsibility that transcends specific knowledge domains.

However, this behavior-knowledge disconnect also raises important questions about the depth and sustainability of these practices. Behavioral competence developed through habit and imitation, while valuable for routine financial management, may prove insufficient when individuals encounter novel or complex financial situations requiring conceptual understanding and analytical reasoning. For instance, individuals who successfully budget household expenses through learned routines may still struggle to evaluate competing mortgage offers, assess insurance needs, or construct diversified investment portfolios—tasks that demand deeper financial knowledge. This surface-level competence may create a false sense of financial capability, potentially leading to overconfidence in situations where inadequate knowledge could result in costly mistakes.The positioning of financial attitude (75.05%) between knowledge and behavior adds another dimension to understanding financial literacy. The generally positive attitudes toward financial management suggest that respondents value financial prudence and recognize its importance, which may serve as a motivational foundation for maintaining desirable behaviors. However, the specific attitude statements reveal concerning contradictions. While 75.05% demonstrate overall positive financial attitudes, 76.86% simultaneously agree that they "tend to live for today and let tomorrow take care of itself," and 72.86% endorse the view that "money is there to be spent." These present-oriented perspectives, while not entirely negative in moderation, may undermine long-term financial planning efforts and wealth accumulation goals when taken to extremes.This apparent cognitive dissonance—holding positive attitudes toward financial management while simultaneously endorsing consumption-oriented and present-focused beliefs—may reflect several underlying phenomena. First, it may indicate social desirability bias in responses, where participants express attitude they believe are appropriate while simultaneously revealing their actual preferences through more specific statements. Second, it could represent genuine internal conflict between immediate gratification impulses and long-term planning intentions, a tension well-documented in behavioral economics literature on time-inconsistent preferences and hyperbolic discounting. Third, these contradictory attitudes may reflect different facets of financial philosophy: one can simultaneously believe in living for today (enjoying life in the present) while also maintaining positive attitudes toward responsible money management, provided these perspectives are balanced appropriately.

5.2 Demographic Influences on Financial Literacy: The demographic analysis reveals that financial literacy is not uniformly distributed across population segments, with age, income, professional experience, marital status, and family structure emerging as significant determinants, while education level and academic discipline surprisingly show no significant influence.

Age and Life-Cycle Effects:Financial literacy increases with age ($F = 12.36$, $p = 0.000$), rising from a mean of 13.77 among the youngest to 15.50 in the oldest group, supporting life-cycle theories of capability development. This pattern indicates that financial skills accumulate through lived experiences—such as managing mortgages, investments, and retirement planning—along with exposure to financial ups and downs. Older individuals may also benefit from earlier exposure to family-based or workplace financial education. However, younger adults (22–35 years) show lower literacy despite facing major financial decisions like loans and home purchases, highlighting the need for early financial education in schools and early career stages. Education Paradox:Surprisingly, no significant link exists between education level and financial literacy ($F = 6.34$, $p = 0.531$). Similar mean scores across undergraduate (14.28), postgraduate (14.60), and doctoral (14.59) levels indicate that general education and intelligence do not guarantee financial competence. This likely occurs because most curricula lack practical financial content, and academic success often emphasizes theory over real-world financial skills. Moreover, highly educated individuals—especially in non-finance fields—may display overconfidence, leading to poor financial decisions. The lack of difference across disciplines (Arts, Commerce, Science/Engineering) reinforces that academic or professional expertise does not necessarily translate into personal financial capability.Income as a Determinant:A strong positive link exists between income and financial literacy ($F = 31.73$, $p = 0.00$), with scores rising from 13.29 in the lowest to 15.96 in the highest income groups. This relationship is likely bidirectional—higher literacy aids earning and investing, while higher income provides exposure to financial products and learning opportunities. Yet, low-income individuals, who most

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need sound financial knowledge, display the weakest literacy, creating a "poverty trap." Hence, financial education must be tailored by income level—focusing on budgeting and debt avoidance for lower-income groups, and investment or tax planning for higher-income earners.

Professional Experience and Seniority:Financial literacy rises with career progression ($F = 29.36$, $p = 0.00$), from 13.54 among Assistant Professors to 16.06 among Professors. Beyond age, this reflects greater exposure to financial decisions, higher earnings, and accumulated learning. Targeted workplace programs could enhance literacy at key career stages—for instance, retirement planning for new employees, investment planning for mid-career staff, and estate management for senior professionals.

Marital and Family Status Effects:Unexpectedly, unmarried individuals score higher (15.03) than married ones (13.32), possibly because they handle finances independently and learn directly from experience. In contrast, married couples may divide financial responsibilities, lowering individual literacy. The difference might also reflect age or cohort effects, as younger, unmarried individuals may have received more recent financial education. Similarly, respondents from nuclear families (14.97) outperform those from joint families (12.80), suggesting that individual responsibility in nuclear setups fosters stronger financial skills. In joint families, shared financial decision-making and elder dominance may limit personal learning opportunities. Financial education in such contexts should thus address household-level decision-making and prepare individuals transitioning to independent family structures.

6. Implications

6.1 Theoretical Implications: The findings of this study contribute to key theoretical debates in financial literacy research. First, they challenge the traditional knowledge–attitude–behavior model, suggesting that these dimensions may develop simultaneously or even in reverse, with behavior sometimes preceding knowledge. This supports dual-process theories from cognitive psychology, which distinguish between habit-driven decisions leading to heuristics in decision making and deliberate, analytical reasoning-based decision making. Everyday money management often relies on habits shaped by experience and social learning, while complex financial choices draw on reasoning. Hence, financial education should strengthen both systems—building analytical understanding while reinforcing positive financial routines and heuristics. Second, demographic patterns indicate that financial literacy is contextual and dynamic, shaped by age, income, work experience, and family structure rather than being a fixed trait. This aligns with sociological perspectives emphasizing how social environments, cultural norms, and structural opportunities influence financial capability. Effective interventions must therefore be context-sensitive, addressing the distinct realities and financial challenges of different population groups.Finally, the lack of correlation between formal education and financial literacy challenges human capital theory, which assumes general education enhances all competencies. Instead, the evidence supports domain-specific expertise theory, implying that financial literacy requires focused, experiential, and context-relevant learning. This highlights the need for explicit integration of financial education within school and university curricula, rather than assuming it naturally develops through general academic achievement.

6.2 Practical Implications: The findings of this study carry significant implications for educational institutes, financial service providers, and individuals seeking to enhance financial literacy and improve financial outcomes across society.

6.2.1 Educational Institutes: Targeted Financial Education Programs:The major knowledge gaps in complex areas like risk diversification and compound interest highlight the need for strategic, segment-specific financial education. A uniform approach is ineffective; instead, programs should be tailored to different life stages. For young adults (22–35), the focus should be on managing student loans, budgeting on limited incomes, building savings, and understanding workplace benefits. Mid-career individuals need education on investment planning, insurance, and children's education funding. For those nearing retirement, guidance on pension optimization, healthcare, and estate planning is essential. Workplace Financial Education Initiatives:Given the strong connection between financial literacy and professional experience, employer-based training offers an effective delivery channel. New employees could learn about budgeting, benefit utilization, and retirement planning; mid-career professionals could focus on risk management and investment diversification; and senior staff could receive retirement and estate-planning advice. Workplace programs reach adults at key financial decision points, can be customized to salary and career stage, and provide credible, cost-efficient access to financial expertise.

Income-Sensitive Financial Services and Education:The strong income–literacy relationship calls for inclusive financial services and community-based education. Policymakers and financial institutions should design simple, transparent products—like basic savings accounts, fixed-rate loans, and low-cost index funds—while ensuring consumer protection against predatory practices. For lower-income groups, financial literacy programs delivered through local community centres or NGOs should emphasize practical topics: avoiding high-interest debt, building emergency savings, managing irregular incomes, and accessing social benefits.

Family-Centered Financial Education:Differences in financial literacy by marital and family status suggest the need for household-oriented programs. Premarital financial counselling can help couples align financial goals and communication. For individuals shifting from joint to nuclear families, targeted training can support their new financial responsibilities. In joint family settings, education should promote shared financial decision-making, ensuring women and younger members gain financial knowledge and confidence for future independence.

6.2.2 Financial Implications for Service Providers: Financial institutions play a crucial role in ensuring customers truly understand the products they buy and the risks involved. However, moderate financial literacy levels—especially weak understanding of risk—mean many consumers may not grasp complex products, increasing the risk of mis-selling and poor product choices.Simplified Disclosure: Financial providers should present clear, simple product information about costs, risks, and returns using plain language, visuals, and examples. Products must match the financial literacy of their target audience, avoiding unnecessary complexity or hidden costs.

Assessing Suitability: Sales processes should evaluate customers' financial knowledge, especially for complex or high-risk products. If gaps exist, providers should offer education or recommend simpler alternatives. The goal should go beyond legal compliance—ensuring customers genuinely understand their decisions.Customer Education as Strategy: Educating customers should be seen as a competitive advantage, not a regulatory duty. Institutions that invest in financial education—through online tools, seminars, or counselling—can build trust, strengthen relationships, and secure long-term customer loyalty.

6.2.3Implications for Individuals: At the individual level, these findings suggest several actionable strategies for enhancing personal financial literacy and outcomes. First, individuals should recognize that formal education and general intelligence do not guarantee financial competence, and should proactively seek financial education regardless of educational credentials. Second, given the strong positive association between knowledge and both income and professional experience, individuals should view financial learning as a career-long process, seeking out educational opportunities at each life and career stage. Third, the behavior-knowledge gap suggests that while practical financial habits are valuable, they should be complemented by conceptual understanding to enable effective decision-making in novel situations.

Individuals should also recognize their own demographic risk factors for lower financial literacy. Younger individuals, those with lower incomes, early-career professionals, and those from joint family backgrounds should be particularly proactive in seeking financial education to compensate for structural factors that may limit their financial learning opportunities. Finally, the present-oriented attitudes observed in many respondents suggest that individuals should consciously work to balance present consumption with long-term financial planning, recognizing the psychological biases toward immediate gratification that can undermine long-term financial security.

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7. **Directions for Future Research:** This study suggests several promising directions for future research. Longitudinal studies could uncover how knowledge, attitude, and behavior interact over time and identify key life events that influence financial literacy growth. Experimental studies can test which educational methods and delivery formats work best for different groups. Further research linking financial literacy with actual outcomes—like savings, debt, investments, and stress—would show whether higher literacy truly leads to better financial wellbeing.Qualitative studies could explore how people gain financial skills informally, revealing opportunities for policy support. Cross-cultural comparisons may show how cultural and institutional contexts shape financial literacy. Studies on behavioral toolslike automatic savings or default retirement planscould highlight practical alternatives to traditional education.In conclusion, financial literacy is a multidimensional concept influenced by demographic and life factors. Closing literacy gaps demands a mix of education, institutional support, and behavioral interventions designed for diverse populations. Such a comprehensive approach can strengthen financial capability and promote long-term financial wellbeing in complex economic environments.

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