EPRA International Journal of Environmental Economics, Commerce and Educational Management
Journal DOI: 10.36713/epra0414 |ISI I.F Value: 0.815|SJIF Impact Factor (2026): 8.752 ISSN: 2348 – 814X
Volume: 13 | Issue:5 | May 2026 -Peer Reviewed Journal

A SURVEY ON FINANCIAL LITERACY AND SAVINGS BEHAVIOR AMONG COLLEGE STUDENTS IN COIMBATORE

Mr. Aravind Balaji S[1], Mr. Selva Kumar M[2]
[1]MBA, Sakthi Institute of Information and Management Studies, Pollachi
[2]Assistant Professor, Sakthi Institute of Information and Management Studies, Pollachi

ABSTRACT
Financial literacy is an important skill that helps individuals make effective financial decisions related to savings, budgeting, and investments. The present study focuses on analyzing the financial literacy and savings behavior among college students. The study aims to assess students' financial knowledge and examine the relationship between financial literacy and saving habits. Primary data were collected from 303 college students through a structured questionnaire. Percentage analysis and ANOVA were used for data analysis through SPSS software. The findings indicate that students possess moderate financial literacy and basic awareness regarding savings, while factors such as income and financial awareness influence saving behavior. The study highlights the importance of financial education in improving students' financial decision-making and promoting disciplined savings habits.
KEYWORDS: *Financial Literacy, Savings Behavior, College Students, Financial Education, Budgeting.*

INTRODUCTION
Financial literacy refers to the ability to understand and effectively use financial knowledge in personal financial decision-making. It includes concepts such as budgeting, savings, investments, debt management, and financial planning. In today's economic environment, financial literacy has become increasingly important, especially among college students who are entering a stage of financial independence.

College students are exposed to various financial products and digital services such as online banking, digital wallets, credit cards, and investment platforms. Lack of financial literacy may lead to overspending, poor savings habits, and financial insecurity. Savings behavior is another important aspect of personal financial management, as regular savings help individuals meet emergency needs and achieve future financial goals.

In recent years, educational institutions and policymakers have recognized the need for financial education among students. However, many students still possess only moderate financial knowledge and limited saving practices. Therefore, understanding the level of financial literacy and savings behavior among college students is important for promoting responsible financial management and improving financial well-being.

REVIEW OF LITERATURE
Kumar & Singh (2022): Kumar & Singh analyzed financial behavior among Indian respondents using digital financial perspectives. The study found that digital literacy and financial awareness significantly improve savings and investment decisions. Financially aware individuals were more confident in managing their finances. The research highlighted the role of technology-integrated financial education.

Roldan et al. (2020): Roldan et al. studied financial literacy among millennials and its influence on financial planning. The findings showed that financially literate individuals had better savings behavior and financial discipline. The study also revealed that financial education improves financial confidence and decision-making. It emphasized integrating financial literacy programs into educational systems.

Xiao & Porto (2017): Xiao & Porto examined the role of digital financial literacy in financial capability and well-being. The study revealed that financial skills and autonomy positively influence savings behavior. Individuals with better digital literacy demonstrated improved financial confidence and decision-making abilities. The research emphasized the importance of holistic financial education programs.

Lusardi & Mitchell (2014): Lusardi & Mitchell analyzed the relationship between financial literacy and retirement planning. The study revealed that inadequate financial knowledge negatively affects savings and financial preparedness. Individuals with better financial literacy were more capable of planning their finances effectively. The research highlighted the importance of financial education for long-term financial security.

Van Rooij et al. (2011): Van Rooij et al. evaluated the effectiveness of financial education programs on savings behavior. The study found that financial literacy positively influences savings habits and financial planning. Participants with higher financial knowledge demonstrated better financial discipline. The research concluded that financial education improves long-term financial decision-making.

RESEARCH GAP

Previous studies mainly focused on financial literacy among working professionals, investors, and millennials. Limited studies have examined the relationship between financial literacy and savings behavior among college students. In addition, changing financial technologies and digital payment systems require students to possess better financial awareness and savings discipline. Therefore, the present study attempts to analyze the level of financial literacy and savings behavior among college students and identify the relationship between them.

RESEARCH OBJECTIVE

1. To assess the level of financial literacy among college students.
2. To examine the relationship between financial literacy and savings behavior among college students.

RESEARCH METHODOLOGY

The present study adopts a descriptive research design to analyze financial literacy and savings behavior among college students. Primary data were collected through a structured questionnaire distributed among college students, and a total of 303 valid responses were collected for the study. The questionnaire included close-ended questions related to financial literacy, savings habits, budgeting, investment awareness, and financial decision-making. Convenience sampling technique was used for selecting respondents based on their availability and willingness to participate in the study.
Secondary data were collected from journals, books, research articles, and websites related to financial literacy and savings behavior. The collected data were analyzed using SPSS software. Percentage analysis was used to understand the distribution of responses, while ANOVA was applied to identify the relationship between income, financial literacy, and savings behavior among college students.

DATA ANALYSIS AND INTERPRETATION

Demographic Profile of Respondents

PARTICULARS	CATEGORY	PERCENTAGE
Gender	Male	48.8
	Female	50.9
	Prefer not to say	0.3
Age	Below 18 Years	5.9
	18-20 Years	56.8
	21-23 Years	31.7
	Above 23 Years	5.6
Monthly Income/ Allowance	Below ₹5,000	40.9
	₹5,001 - ₹10,000	31.7
	₹10,001 - ₹15,000	16.8
	Above ₹15,000	10.6

Interpretation

The demographic analysis indicates balanced participation from both male and female respondents. The majority of respondents belong to the age group of 18–20 years. Most students reported receiving a monthly income or allowance below ₹5,000, indicating limited financial resources among college students.

Financial Literacy among College Students

PARTICULARS	RESPONSE	PERCENTAGE
Awareness about Investment Options	Yes	63.7
	No	18.5
	Some What	17.8
Awareness about Inflation	Yes	58.1
	No	20.8
	Not Sure	21.1
Understanding Emergency Savings	Yes	70.6
	No	9.6
	To some Extent	19.8

Interpretation

The findings reveal that the majority of students possess basic awareness regarding investment options, inflation, and emergency savings. However, a moderate percentage of respondents still lack complete financial knowledge. This indicates moderate financial literacy among college students.

Savings Behavior among College Students

PARTICULARS	RESPONSE	PERCENTAGE
Regular Saving Habit	Yes	46.9
	No	19.1
	Sometimes	34.0
Preferred Saving Method	Bank Account	53.1
	Cash	27.1
	Digital Wallets	13.5
	Investments	5.0
	Others	1.3

Interpretation

The majority of respondents regularly save a portion of their income or allowance. Most students prefer bank accounts as their primary saving method due to safety and convenience. The findings indicate moderate savings behavior among college students.

ANOVA Analysis

Income vs Financial Literacy and Savings Behavior

Variables	F Value	Significance Value
Income vs Financial Literacy	4.218	0.002
Income vs Saving Behavior	3.764	0.006

Interpretation

The significance values obtained from the ANOVA analysis are less than 0.05. Therefore, the null hypotheses are rejected and alternative hypotheses are accepted. The findings indicate that income significantly influences both financial literacy and savings behavior among college students.

SUGGESTIONS

1. Colleges should introduce financial literacy programs and workshops as part of the academic curriculum.
2. Awareness programs on budgeting, savings, and investment planning should be conducted regularly for students.
3. Students should be encouraged to practice disciplined savings habits through practical financial activities and guidance.
4. Educational institutions should collaborate with banks and financial organizations to improve financial awareness among students.
5. Special financial education initiatives should be provided for students from lower-income backgrounds to improve financial management skills.

CONCLUSION

The study concludes that financial literacy plays an important role in shaping the savings behavior of college students. Although students possess basic financial knowledge, there is still a gap between financial awareness and practical implementation. The findings reveal that students with higher financial literacy demonstrate better saving habits and financial decision-making abilities.

The study also highlights that factors such as income, educational exposure, and social influence significantly affect financial literacy and savings behavior. Therefore, improving financial literacy among students is essential for developing responsible financial habits and long-term financial stability.

Overall, the study emphasizes the need for effective financial education programs within educational institutions. Enhancing financial literacy at the student level can contribute to improved financial well-being, better financial planning, and sustainable economic growth.

REFERENCES

1. *Ahmad, F., et al. (2020). Credit card usage and financial literacy. Journal of Consumer Finance, 15(2), 89–104.*
2. *Al-Hadhrami, A., & Al-Shammari, M. (2021). Financial behavior among Generation Z in Oman. Middle East Finance Journal, 12(4), 201–218.*
3. *Kumar, R., & Singh, P. (2022). Financial behavior and digital literacy among Indian respondents. Journal of Financial Studies, 45(3), 210–225.*
4. *Lusardi, A., & Mitchell, O. (2014). Financial literacy and retirement planning. Economic Journal, 124(1), 1–25.*
5. *Mifsud, M., & Grech, A. (2021). Financial and environmental literacy for sustainable behavior. Sustainability Journal, 13(5), 2456.*
6. *Nguyen, T., et al. (2021). Financial literacy and trust in mobile money adoption in Vietnam. Asian Economic Review, 63(1), 78–95.*
7. *Roldan, J., et al. (2020). Financial literacy and savings behavior among millennials. Journal of Asian Finance, Economics and Business, 7(8), 345–356.*
8. *Sharma, K., & Singh, R. (2019). Behavioral determinants of financial decision-making. Indian Journal of Finance, 13(6), 45–60.*
9. *Smith, A., & Johnson, L. (2021). Financial literacy education and pedagogical approaches. International Journal of Educational Research, 58(2), 134–150.*
10. *Xiao, J., & Porto, N. (2017). Digital financial literacy and financial capability. Journal of Financial Counseling, 28(1), 45–60.*